

MID-PACIFIC MAGAZINE

A Pan-Pacific Commercial Conference Number



The President of Peru, August B. Leguia, who has joined the Pan-Pacific Union. He sent the flag of his country and messages of good will to the organization that is working to create a true Patriotism of the Pacific.

UNITED STATES
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AUSTRALIA
AND NEW ZEALAND
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HAWAII
Pan-Pacific Union

ORIENT
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JAVA
Javasche Boekhandel



Arthur S. Bent, who, as President of the Los Angeles Chamber of Commerce, invited the Pan-Pacific Union to call the Second Pan-Pacific Commercial Congress to meet in his city.

The Mid-Pacific Magazine

CONDUCTED BY ALEXANDER HUME FORD

Volume XXXV

Number 5

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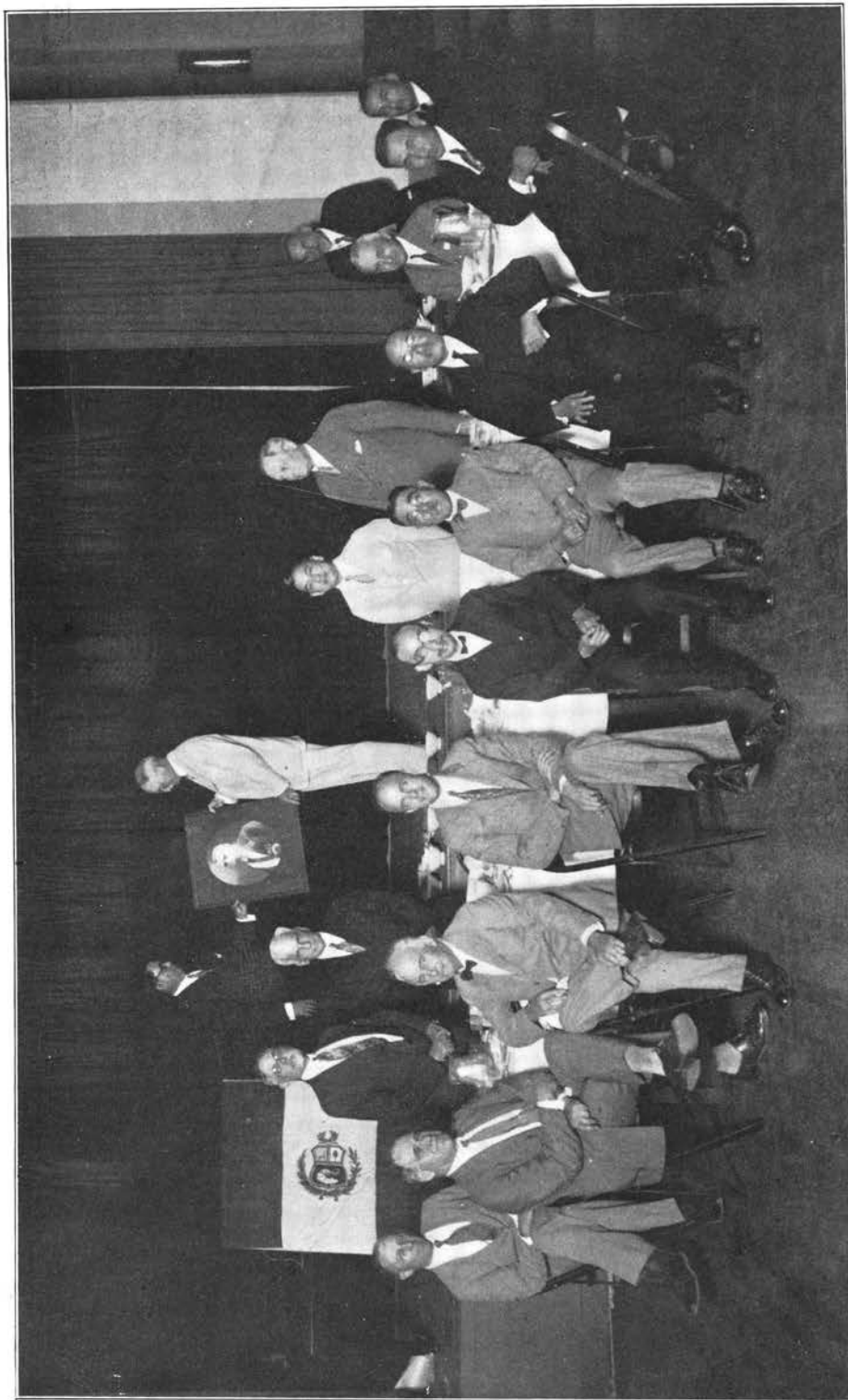
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The Mid-Pacific Magazine

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Permission is given to publish articles from the Mid-Pacific Magazine



Presentation to the Pan-Pacific Club of Honolulu of the flag of Peru and an autographed photograph of Peru's president, August B. Leguía. Some three hundred members of the Pan-Pacific Club attended the lunch and at the guests' table, Hon. Wallace R. Farrington, Governor of Hawaii and President of the Pan-Pacific Union, presided. He is seen receiving from the Peruvian consul, A. D. Castro, the portrait of the Peruvian President. At the guests' table, standing, from left to right: Hon. W. F. Frear, ex-Governor of Hawaii; ex-Justice John H. Clarke, President of the League of Nations Non-Partisan Society of the United States; Y. Tsurumi of Japan; Hon. Harry Garfield, President of the Institute of Politics, Williams-town; Alexander Hume Ford, director of the Pan-Pacific Union. Seated, Dr. A. L. Dean, Herbert E. Gregory, Montague C. Cooke, C. F. Loomis of the Institute of Pacific Relations; Chinese Consul K. Y. Tsao, Dr. Iga Mori, and Dr. T. Harada, trustees of the Pan-Pacific Union; behind Dr. Harada, Mr. Robbins Anderson, of the Institute of Pacific Relations; at the end of the table the Japanese consul, K. Kuwashima of the Pan-Pacific Union, and Rev. Takishi Ban, a guest from Japan.

Peru and the Pan-Pacific Union

An Address Before the Pan-Pacific Club of Honolulu, with a Presentation of the Flag of Peru to the Pan-Pacific Union

By A. D. CASTRO, Representing the President of Peru

[A presentation to the Pan-Pacific Union of the flag of each Pacific country at the opening of the Second Pan-Pacific Commercial Congress in Los Angeles in December, 1928, would be most welcome by the Union and a most appropriate ceremony at the opening of this first Pan-Pacific Commercial Congress to be held on the American mainland.]

As the delegates were gathering in Honolulu to attend the Fifth Western Divisional meeting of the Chamber of Commerce of the U. S. A., it became the official duty of the Hon. Wallace R. Farrington, Governor of Hawaii and President of the Pan-Pacific Union, to officially receive for the Union, at one of the luncheon meetings of the Pan-Pacific Club, the flag of Peru, sent by its president, August B. Leguia, with his autographed portrait, both presented with appropriate ceremonies by the Peruvian Consul in Hawaii, A. D. Castro.

The flag of Peru was sent as a token of good will and it is expected that Peru will be represented at the Second Pan-Pacific Commercial Congress being called by the Union to meet in December, 1928, in Los Angeles, on dates to coincide with the meeting of the Sixth Western Division meeting of the U. S. Chamber in the adjoining city of Pasadena, that the overseas delegates may meet the mainland delegates.

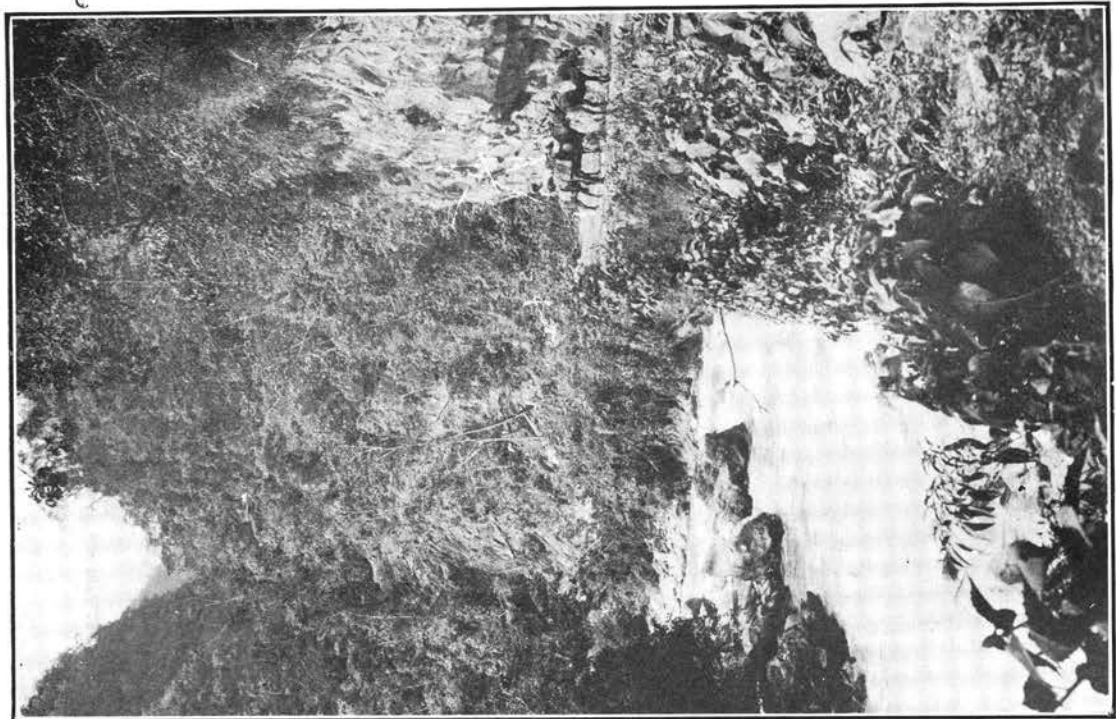
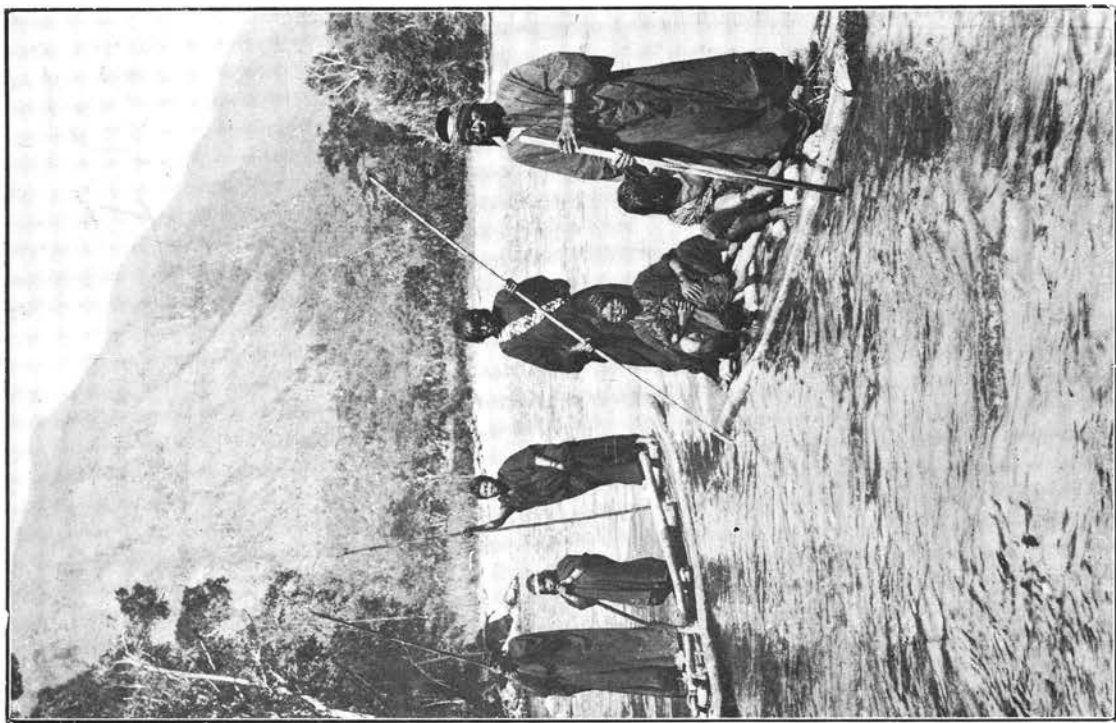
In making the presentation, Mr. Castro said:

"This republic on the western coast of South America has been favored by Nature with such a diversity of mineral wealth, soil, and climate that there is scarcely a product of any clime which cannot there be found or produced in unsurpassed excellence. But the diffi-



President Leguia, of Peru, at Lima is seen lifting his hat.

culties of communication caused by the giant ranges of the Andes, and the incapacity of the conquerors and their descendants for the tedious and plodding labors of the pioneer have left the resources for the most part undeveloped. Within recent years work of develop-



Two scenes from the mountain regions of Peru. The first shows the primitive native life—Indians using simple native rafts; and in the other picture is seen the method of transportation in the mountain region.



Some of the ruins of one of the old Inca cities of four hundred years ago.

ment in great measure has been undertaken under supervision of more practical, patient and resolute engineers of Europe and the United States, with the result that foreign capital is flowing into the country, and modern initiative is setting great enterprises on foot.

"Boundary disputes with her neighbors make the area of Peru uncertain, but including the regions to which its claim is strongest the area is about 722,000 square miles, with a length about 1,000 miles and an average width of 700 miles.

"Peru is noted for an enormous river system, perhaps the most remarkable in the world, which breaks through the eastern chain of the Andes and flows through impenetrable jungles to form the Amazon. Of these rivers the greatest is the Marañon, generally taken to be the true source of the Amazon.

"Due to interposing mountain barriers which tower above the coast strip of low land, the country falls naturally into

three zones known as the Coast Zone, the 'Sierra' or great table land lying in the valleys between the three ranges of the Andes, and the 'Montana' or river and forest zone on the eastern slopes. These three divisions differ so widely in climate, products, and population that they form in effect worlds to themselves, and the inhabitants of one find it difficult to adapt themselves to conditions in the others.

"Peru produces among many other things sugar, cacao, cotton, and coffee in the lower region; copper, silver, coal, iron, quicksilver, lead, sulphur, zinc, and many rare metals in the mountain regions. Rubber forests appear inexhaustible but are difficult of access.

"Adequate transportation from one resourceful region to another is the chief thing needful, but this problem is now receiving a great deal of attention.

"The population is estimated at about 5,000,000, of which about one-half are

pure Indians. The whites compose about 15 per cent; 25 per cent are of a mixed blood, and there is a sprinkling of Chinese and Japanese.

"Peru contains many interesting remains of ancient Indian civilization. Buildings of immense size, and beautiful pottery and implements, testify to the high degree of development attained. From its conquest by Pizarro in the sixteenth century, until its erection as an independent republic in 1821, Spain ruled Peru.

"On October 6, 1917, Peru severed relations with Germany because of German aggression on her commerce, and a few days later extended the use of her ports to the Allies.

"Peru is a republic with a centralized government. The president, who holds office for four years, two vice-presidents, and the members of the Senate and House of Deputies are all elected by popular vote.

"Mr. August B. Leguia, a noted statesman and Peruvian patriot, is President of this interesting country. At his request and appointment, and with the consent of the President of the United States of America, I am privileged to represent Peru as its consul in the Territory of Hawaii.

"As such representative, and at the request of the Minister of Foreign Relations of Peru, I take great pleasure in presenting to the Pan-Pacific Union, through your Excellency, a flag of that small but glorious republic and an autographed picture of its distinguished President, Mr. August B. Leguia, as a token of esteem for the people of Hawaii and a proof of sincere appreciation for the courtesies that have been extended to its representatives in all the conferences heretofore held under the auspices of the Pan-Pacific Union in Honolulu. And with this presentation I am privileged to say that both Mr. Leguia and his Minister of Foreign Relations are in sympathy and accord with your endeavors to promote friendly

contacts among representatives of the countries bordering the Pacific Ocean, and thus bring about thorough understanding of the problems affecting the people of each."

Governor Farrington, in receiving the flag and picture, said:

"We ask that you convey to the President of Peru our appreciation of his expression of the ideals and purposes of this organization. I know that I but speak your thought, and I beg you to inform the Council that we very much appreciate the dignified and enlightened manner in which Mr. Castro presented the flag of Peru.

"Peru has had an important place in the life of the Pan-Pacific Union. It is one of the first, if not the first, of the Spanish-American republics that has responded to the requests of this organization to participate in the various conferences that have been held here—those invitations usually written to people of nations bordering on the Pacific Ocean. At one time there was a feeling among the Spanish-American countries that we were endeavoring to set up some sort of a hazy organization that would reflect on the value and honor and service of the Pan-American Union. But the people of Peru, through their business contacts and commercial contacts, possibly, have a better understanding than some of the people of their associated republics. The people of Hawaii have assisted in the development of the sugar industry in Peru through the Sugar Planters' Association.

"And so the people of that great republic have responded readily, realizing that though the Spanish of the old days did not hesitate to destroy, this organization today and the people who associate with it are in search solely of goodwill, and to that end they do cease from destruction and build. We appreciate very much this token of goodwill from the president of Peru. We appreciate this cooperation of the great goodwill.

Second Pan-Pacific Commercial Conference

Los Angeles, December, 1928

By ALEXANDER HUME FORD
Director, Pan-Pacific Union

At Fifth Mid-Year Meeting, Western Division, U. S. Chamber of
Commerce, Feb. 8, 1928

Anything I would say necessarily would be for every country of the Pacific, because I am not an American except in time of war, and then I am one hundred per cent on my side, right or wrong; the rest of the time I am prepared to talk and act for the Pan-Pacific Union.

I have worked for twenty-one years to create a patriotism of the Pacific. When Mr. Woodrow Wilson became President of the Pan-Pacific Union, strange as it may seem, it was Mr. Henry Cabot Lodge who got us our first appropriation from the Congress of the United States to aid in calling the first Pan-Pacific Conference. Mr. Wilson believed in his World League of Nations, begun in Europe, but Mr. Lodge believed that the beginning of such a cause should be made in the Pacific. He said: "Out in the Pacific you can have a Pan-Pacific league of nations that in time will show the rest of us how it can have a world league; but not so in Europe where they have had ten thousand years of strife and slaughter. Let the real World League begin in the Pacific, where we have no traditions of war hatreds." We have gone along rather on that line, of bringing peaceful countries together to continue peace, and have called conference after conference, getting people together into kindred thinking groups. For instance, the Pan-Pacific Union called the scientists together, and not being a scientist and knowing I would not be in place in that conference, I

gathered a hundred Congressmen and Senators and took them over to the Orient, where we organized several Pan-Pacific clubs that still meet at weekly luncheon in China and Japan. Perhaps the club in Tokyo at which Prince Tokugawa presides is the most remarkable open forum that has been formed in the Pacific area. Ambassadors of every country of the world address the weekly luncheon meetings and it was the Pan-Pacific Club of Japan that really financed the third Pan-Pacific Science Congress, the largest in the world.

The Pan-Pacific Union has gone ahead. The Pan-Pacific Science Conference formed its own organization and now calls its own congress. The Union called the first Pan-Pacific Educational Conference; the President of the United States called the second conference. The Pan-Pacific Union instigated a conference that was to be a conference of the Y. M. C. A. secretaries in the Pacific. After it got under way the Honolulu leaders said to the Pan-Pacific Union: "Don't you think we could manage this better ourselves?" and the Union said: "Certainly, will you do so and finance it," and of this was born the Institute of Pacific Relations, which has done perhaps more than any one organization to bring the intellectuals of the Pacific together to discuss the serious problems of our peoples. But the Pan-Pacific Union is going on, giving birth to more children. Out of the Pan-Pacific Food Conservation Congress



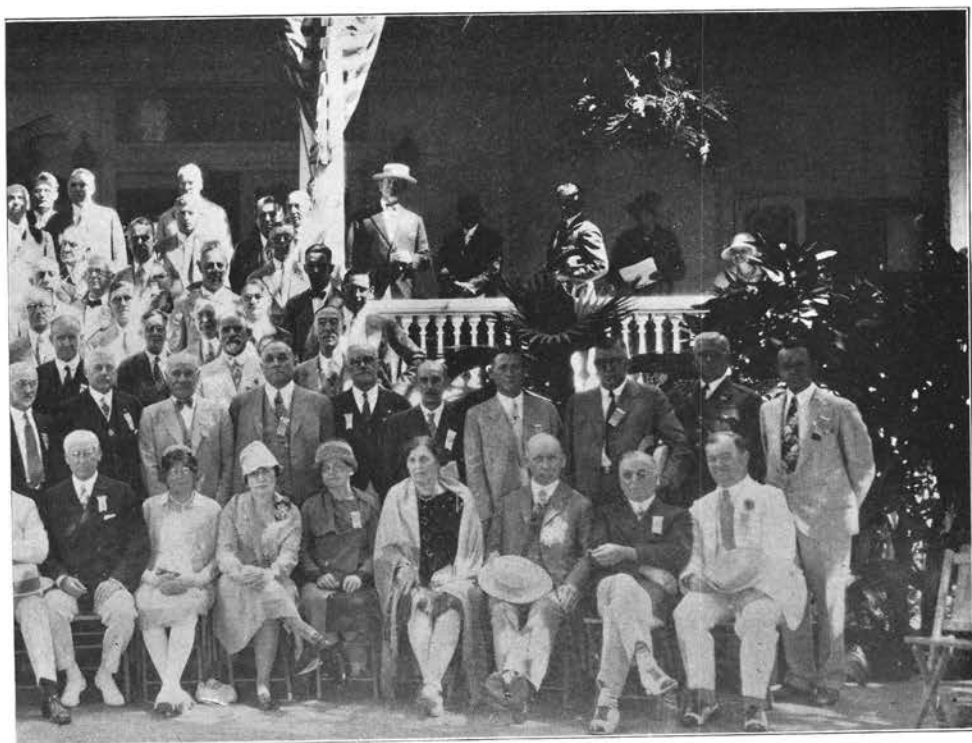
In this picture, seated on the front row from left to right, are delegates K. Y. Tsao, Chinese Consul; K. Kuwashima, Japanese Consul General; Lafayette Hanchett, Director of U.S.C. of C.; W. duBois Brookings, Mgr. Nat. Resource Sec. U.S. Chamber of Commerce; D. A. Skinner, Secy. U.S. Chamber of Commerce; George Schofield; Paul Clagstone, Mgr. Western Division, U.S. Chamber of Commerce; Paul Shoup, Western V.P. U.S. Chamber of Commerce; Lewis E. Pierson, President, U. S. Chamber of Commerce. Above, Mr. Brookings, standing, is Mr. Franklin Thomas, President, Pasadena Chamber of Commerce; Alexander Hume Ford, Director Pan-Pacific Union, and Chester Rowell.

was born a group of useful children, many of them busy Pan-Pacific organizations, controlling their own destinies. We have a Pan-Pacific Commercial Conference. Mr. E. O. McCormick of San Francisco, of the Southern Pacific, was the chairman, and today you have another vice-president of the Southern Pacific as chairman. At that meeting there was harmony and at this there began wonderful agreements that came about when those who think alike sit together.

We are going to call another Pan-Pacific Commercial Conference. It was suggested that this be done by the Pan-Pacific Union, but the Pan-Pacific Union does not like to call more than one conference of any kind—it is an expensive luxury, they cost tens of thousands of

dollars, so we have one conference and then ask the Conference to organize its own official body to go ahead with their own future conferences.

The next Pan-Pacific Commercial conference will be held in Los Angeles, and we hope there may be born a Pan-Pacific Chamber of Commerce. It may be an independent body or it may be a part of the National Chamber of Commerce, but we do not care so long as the people of the Pacific will get together this time the commercial men of the Pacific. Let the business men from every country of our great ocean get together and have their sessions just as you men of the Pacific Coast region have this meeting, and just as the American Chamber has its meeting,



A part of the delegation to the Fifth Mid-year meeting of the Western Division of the U. S. Chamber of Commerce at the Moana Hotel. Acting Governor of Hawaii, Raymond C. Brown, is the first figure on the front row, left, with some of the wives of delegates.

and as the International Chamber of Commerce has its meetings.

The Second Pan-Pacific Commercial Congress that is to be held in Los Angeles is regional and includes the Pacific Coast countries peopled by more than half the population of the world. We do ask your help and cooperation in that meeting to be held within the year and in the region you represent. We have been working on this conference for two years. We have been getting in touch with the business organizations of the Pacific and getting them interested in conference. They, across the Pacific, do not come to us unless we go to them first. Last year I worked for three months in Japan and it was only the day before I left that I succeeded in getting ten delegates appointed to the Educational Conference that was recently held here. I am going over again to get the people of

the Pacific to send their best commercial men to Los Angeles, to meet with your people and to see if something can be done to perpetuate such meetings, so that they will be held at regular intervals and under their own organization, and I think you can well hold your meeting next year of the Western Division of the U. S. Chamber at such a time and place that you may come in contact with the across-the-seas delegates to this conference in Los Angeles. It takes two years, at least, of work to get one of these meetings started, and we have already put in two years of work on this Los Angeles meeting. It strikes me, Mr. Chairman, that possibly your next conference might be held somewhere on the Pacific Coast about the same season of the year. Mr. Bent, President of the Los Angeles Chamber, brought a delegation here to ask that the Pan-Pacific Union call this Com-

mercial Conference in Los Angeles. We hope that your next gathering, if not held in Los Angeles may at least be held in some nearby city on the Pacific Coast, so that when this conference in Los Angeles may be held, immediately before or immediately after your next session, that you may invite as guests at your next session some hundred business men from every Pacific country, commercial men who come from every section of the Pan-Pacific area.

At this second Pan-Pacific Commercial Conference we expect to have a week's session at Los Angeles and then for a day or so we are invited as the guests of the San Francisco Chamber. We hope then to go on to Portland, Tacoma, Seattle and perhaps Vancouver. If your meeting can be synchronized with the Los Angeles meet, and held in a nearby city, we can hold our conference two or three days before; the one following the other, or just after I would like to put that thought in your minds, so that your splendid work can be connected up with the work that the Pan-Pacific Union is doing in the Pacific. Once the dates are set we will ask the State Department to transmit invitations to the Pacific countries to participate. We have groups all over the Pacific that have weekly meetings. We will bring the overseas delegates to Los Angeles and it is up to you men to make the most of what the Pan-Pacific Union is doing. Then when you attend the Second Pan-Pacific Congress, if you tell us to go to the deuce we will say: "God bless you, here is one more child of the Pan-Pacific Union that is going to be adopted by wealthy parents and will work to do its part towards bringing the peoples of the Pacific together."

Here in Honolulu we have a Pan-Pacific Club that gathers two or three hundred men of all races at lunch every Monday. At these lunches we have tables of eight, the Chinese at one and the Japanese at another, and so on, but all members of one club. They prefer to meet that way, gathering together in

the big lobby, but when they go in to eat, each race wishes to get together at a table of their own, and eat together, or with men interested in the kindred things, and we want them to do this. We want to get you commercial men together, and we will do our part in getting men of all Pacific races together at Los Angeles, then we want nothing more to do with you because we want you to do for yourselves in bringing the commercial men of the Pacific together. You can continue this through the ages; we cannot. All we can do, is to get you together, and that is all the Pan-Pacific Union ever does. It gets these groups of men in different lines of thought and action together, and then gets them to organize themselves to do the rest. It is far, far better to have a thousand organizations with ten good men in each, working to bring us together, than to have one autocratic organization, perhaps with a dozen actual workers. It is going to take all the time of all men of all races working all the time to bring us to that harmony we must have to successfully create true patriotism of the Pacific that will bind us together for our general advancement.

This is our ocean, around the shores of which lives more than one-half of the populations of the globe, and unless you business men can bring your people together, I do not think we can ever get anywhere near perpetual peace. We have peace in the Pacific now, let us make it last forever. It is up to you men of commerce to bring this about. We want your cooperation at the Second Pan-Pacific Commercial Congress at Los Angeles. The Pan-Pacific Union is going to call you together and turn the meeting over to you business men of the Pacific, and from then on it is yours, no longer ours.

Vice-President Paul Shoup, presiding officer, said: "I think we all know of the very great work that has been done by the Pan-Pacific Union. It is, I might

say, the most valuable hatchery in the world of good will organizations.

"Mr. Root once said to me that he found the study of history convinced him that nearly all wars were born of social differences and not business antagonism, business conflicts merely appearing on the surface as a result of the attendant conditions. The good work the Pan-Pacific Union is doing in assisting to bring together all of these different elements is unquestionably the most valuable work in the area of the Pacific that I think it is possible to be undertaken."

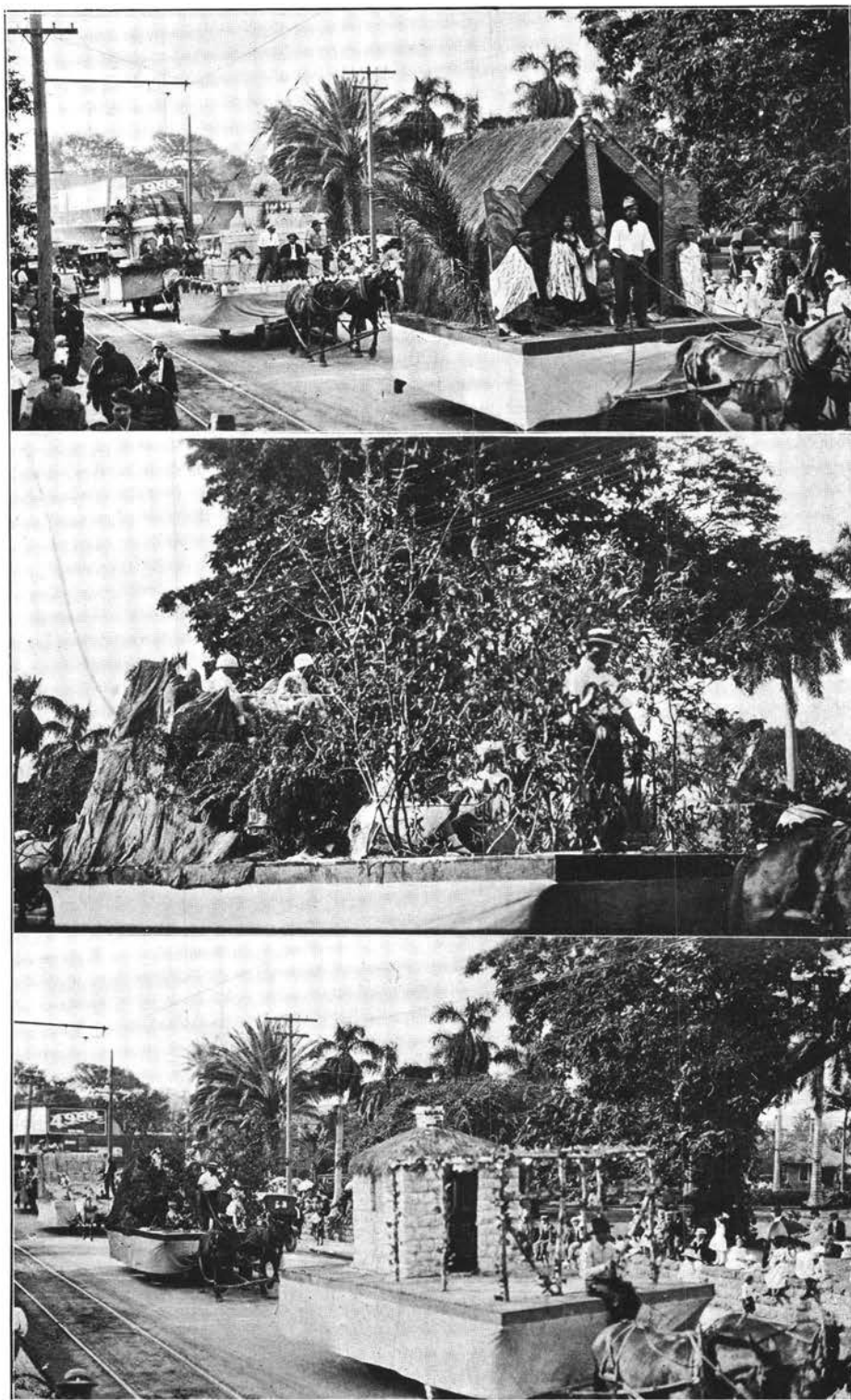
Mr. Franklin Thomas, President of the Pasadena Chamber of Commerce then extended the invitation of Pasadena to the Western Division of the Chamber of Commerce to hold its next

session at Pasadena, within a few miles of Los Angeles, that the two Conference gatherings might be synchronized and held the one immediately following the other; that the delegates to both meetings might have the advantages of meeting the Oriental and other overseas visitors.

Representatives of the Denver, Portland and other Coast chambers seconded this, each urging that the two conferences be held at dates that would allow the delegates to both conferences to attend each other's sessions. This was unanimously endorsed at the open meeting and Pasadena was appointed as the meeting place of the next annual conference of the Western Division of the U. S. Chamber of Commerce, probably in December, 1928, or January, 1929.



American children and those of all Pacific races in one of the Pan-Pacific Union pageants on the grounds of Iolani Palace.



A Pan-Pacific Union pageant in cosmopolitan Honolulu. Upper picture showing a Maori or New Zealand float, followed by those of Asiatic countries. Lower, floats depicting Canada and Western Australia.

Social Relations in the Pacific

By CHESTER H. ROWELL

Writer and Publicist, San Francisco, Cal., at Fifth Western Divisional Meeting, Chamber of Commerce of U. S. A.



Chester H. Rowell, publicist and writer.

As business men you might be presumed to be interested primarily in the commercial relations and opportunities of the Pacific. Yet behind all these business questions are the greater social ones, of the relations of the cultures, the races, the populations, the institutions and the migrations of the Pacific. If humanity can successfully face these questions, business men will know how to face the business ones.

Here in Hawaii, as in a laboratory, we are faced with the whole problem. East of the East and west of the West, these tiny islands of the sun, in the mid-Pacific, are the focus of the great forces which are to determine the future of mankind. Here impinge the faces and cultures of the East and the institutions of the West. Occidental in ownership, in government, in business and in education, yet Oriental in nearly all their population, these islands are the proving-ground of the new contact of the two great halves of the human race.

Since before history began, the whole history of our Occidental race has been that of its Western migrations. Celt and Teuton, Roman and Hellene and Slav, they moved in successive waves across Europe, and then, after long ages, leaped the Atlantic and settled a new world. Then over mountains and across prairies and plains and over mountains again, they conquered a continent and faced a

new ocean. But finally the long journey was done. There was no farther west to go. The only thing west of our West is the East.

And there, in that immemorial East, other civilizations and institutions had been growing, through the ages, under the guidance of other races of men. And we of the West need not flatter ourselves that they were in any way "inferior" or "backward" in comparison to ourselves. When Marco Polo traveled in China he met there a civilization more advanced than any he could have found in Europe. The same thing would have been true of any other traveler, at almost any other time in the long history of us both, with only two exceptions. One of these the period of Roman civilization. The other is the brief period in which we now live. At these two moments, Western civilization has been superior in power, in wealth, in political organization and in mechanical achievement. But these periods were nearly two thousand years apart. At all other times, the Orient was ahead of us in even these respects. It is obviously ahead of us in continuity and stability. And it is debatable whether it has been behind us in the finer aspects of personal culture, even during the brief periods when we surpassed it in material things

However, whichever was superior—and we have alternated in that—the most characteristic thing of all the past is that we have been apart. Likewise, the most characteristic thing of all the future is that we shall be together. The old isolation is ended. Whatever our relations in the future—whether of understanding or of distrust, of cooperation or hostility, of profit or of loss—they will at least be relations, and not disrelations. On some terms we must deal with each other. We can no longer treat each other as non-existent.

The ancient world looked inward, like a Greek house on the Mediterranean. The modern world has looked onward, like a British or American house on the Atlantic. The new world faces both ways on the Pacific. And as we adjust ourselves to that new world, so shall our descendants fare well or ill.

Around this great basin of the waters are now settled these two peoples, opposites in nearly all their situation and historic and economic background. One set of lands is occupied by peoples of European race, newly come to the Pacific, occupying rich lands, sparsely populated, with the highest standard of living the world has known. And all of these except South America, whose eye is still on Europe, speak English, and have the peculiar virtues and limitations of the English-speaking peoples. The other set of lands is occupied by persons of the Oriental races, settled there for ages in population, ancient in culture, but with a standard of living incomparably lower and with an economic structure in which, for the most part, the industrial revolution has not yet taken place. These peoples share with the rest of us the aspiration to a higher standard of living, though not the delusion that this is the sole end of man. Like waters of unequal depth, on the two sides of a wall, they would tend to flow together toward the direction of least pressure, the moment the wall was penetrated. In our time the wall has been penetrated, and the movement, quite automatically, began.

Then, with one accord, the people of European race around the Pacific began to resist it. The United States passed the Chinese Exclusion Law, which was later applied to all Orientals except Japanese, and later, when Japanese immigration began to increase, first entered into the "Gentlemen's Agreement," and later, under circumstances which are still in controversy, included Japanese in the general Oriental exclusion law. The other English-speaking nations around the Pacific have adopted the same policy in substance and purpose, but they have been more considerate of Oriental sensitiveness in the form of it. Australia, for instance, excludes Orientals much more completely than America does, but you can read no statement expressly saying so in the words of the law. The same thing is true in different ways of Canada and New Zealand. These nations, all members of the British Empire, all find ways of keeping out the peoples even of India, also a member of the empire, and they would secede from the British Commonwealth of Nations if membership in it involved the surrender of this policy. And, however they may disguise it, in words and explanations, the basis in all of them is the same. It is physical race. The "white man" who speaks English refuses to accept, as a permanent member of his social group, any one but a member of the "white" race. There are economic and cultural difficulties also, but these are all temporary. The only permanent line is that of hereditary physical race. And the unfortunate paradox is that the Pacific is surrounded by precisely the white peoples who draw that line sharpest, and by precisely the other races to whom it is least appropriate and therefore most offensive.

In the beginning this migration problem was regarded by those on the other side of the line as of pressing practical importance. Because any one of them could relieve his personal situation by moving to a less crowded and more prosperous country, it was easy to jump at the conclusion that the whole situation

could be relieved by the general freedom of migration. In recent years, however, the Oriental leaders have come to the contrary conclusion. They now realize that the time has passed when any major problem of population, on this limited and shrinking planet, can be solved by mass migration. The numbers involved are too great. They do not want to move, in such numbers: they could not be moved even if they wished; and, if they were moved, instead of solving their problem they would merely carry it with them, to the new territory. So the problem as it now stands is no longer primarily one of the preservation of racial integrity on the one side of the line or of the relief of economic pressure on the other. It has become one of national and racial dignity.

It is now, in fact, the Orient that wants to keep us out. On their side it is not a matter of mere migration. Our people, by the millions, have no desire to move to China or Japan, to compete with their laborers or to take up and work their farms. Our threat of penetration is at the other end of the social scale. It is political domination, by foreign governments, and economic domination, by foreign capital and enterprise. Against these, Asia is revolting. What Asia now wants is the preservation of the dignity of her people, in their contacts with us in our countries, and the preservation of their independence, in our contacts with them on their side.

Of the political side of this I have no disposition to use this occasion to speak. Let us rather consider the social and business sides, touching on the political only as it affects them.

Obviously we want to do business with the Orient. It is the one great expanding opening of the future. We want to sell to them, and therefore we must buy of them. Around this ocean dwells half the human race, with half its potential consuming and producing power, and that the half still undeveloped. If business is to grow, in the twentieth century as it did in the nineteenth, this is the only place in

which it can do so. Our problem is not merely the individual one, of representing our own businesses and competing for new customers for them. If that is all we do, the expansion is limited by the present producing and consuming powers of the Oriental peoples. And that, by the mere methods of individual business, can absorb only a moderate fraction more than it is now doing. If there is to be any revolution of business expansion, it means a revolutionary change in the whole economic and social structure of these peoples. And if we who now aspire to it are to reap our share of that harvest, it means, frankly and bluntly, that we must sow a different sort of seed. It means substituting good will for the things which have made for ill will.

The Orient cannot increase consumption of our goods unless it increases production of its goods, to exchange for them. And it cannot do that except by going through the same economic transformation that has remade Europe and America in the past century. It can only do that, quickly enough to suit us or to safeguard itself, by foreign capital. We capitalized ourselves slowly, by our own savings. Now we have set a speed for the rest of the world in which it must capitalize itself quickly, out of our surplus. Of course, we will not furnish that capital without some assurance of a return on it. And Asia, very properly, hesitates to give that assurance if it endangers the national independence, economic sufficiency or racial dignity of its peoples.

And the greatest of these is dignity.

I think that if we can appreciate this one point, all other things will be added unto it. So far, it is precisely the point at which we have most conspicuously failed. We have insisted on dealing with these peoples on terms of superiority, and we have too often manifested that alleged superiority in terms of contempt. When the Chinese, a century ago, expressed their contempt of us, as subject and vassal barbarians, we were amused. Only

when it became a practical obstacle did we break it down, and then we did it scornfully, by force. But where we now manifest it toward them, they are not amused. They are resentful—and rightly so. For, whatever we may think of the superiority of some races over others, they and we are certainly not included in any such classifications. They do not claim superiority over us, and we cannot truthfully claim any superiority over them, except that of a temporary (and only very recent) priority in the possession of the material weapons with which modern men conduct their battles.

May I suggest that we begin with the small things? Both in the Orient and in the Occident, we draw social lines of race which are contrary to all truth and decency. You cannot entertain your Chinese friend at tea on the veranda of the Hotel Astor, in Shanghai. Tradition has it, and the Chinese believe it, that we put up a sign on the Bund at Shanghai, warning "Chinese and dogs" off the paths. We make the separation in our clubs, in our bank wickets, and above all in our personal treatment. The social caste line which we in America, rightly or wrongly, drew against the once enslaved and still culturally inferior negro race, we tend to draw, though in less extreme degree, against these proud and equal races. That way lies business ruin

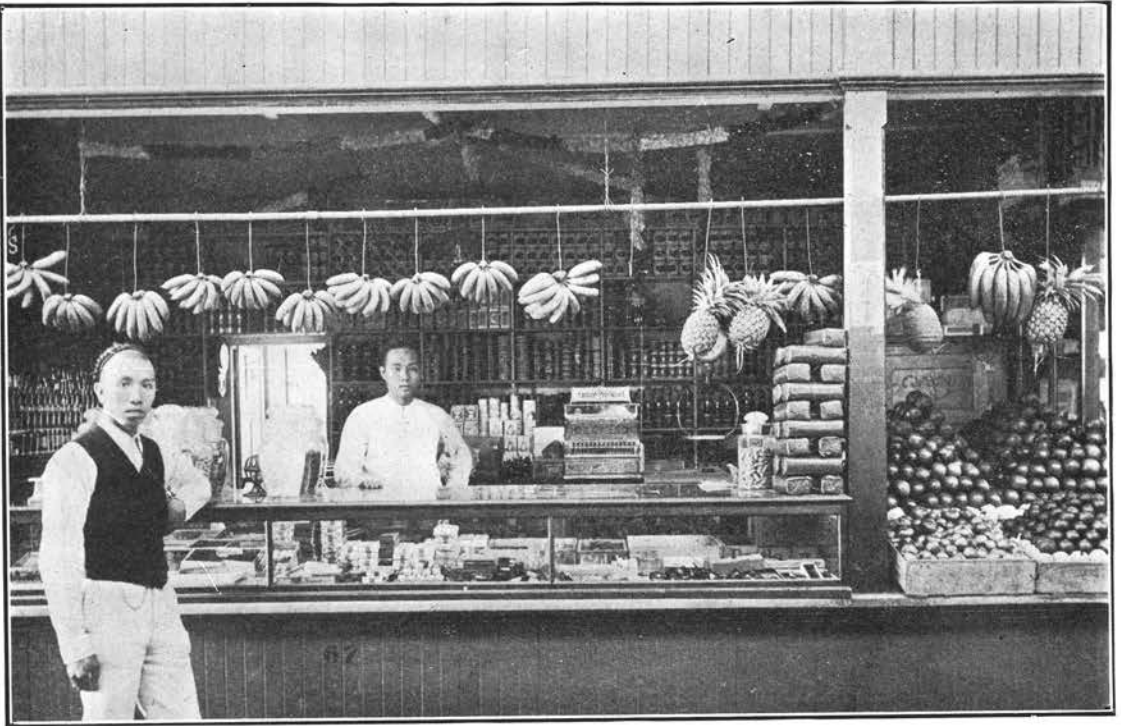
—to say nothing of its other inevitable consequences.

For a long time, European and American business men in the Far East, British civil servants in the government of India, and Americans in the Philippines, have thought it necessary to maintain their prestige, or "face," by this attitude of personal and racial superiority. There may have been some excuse for it in the past, and we can doubtless "get by" with it for a limited time into the future. But we no longer do it in Japan—for the obvious reason that the Japanese will not tolerate it, and are able, in their own country, to insist on their own standards—and we cannot permanently do it anywhere. If we persist in it, the price will be that by the time Oriental business becomes stupendously worthwhile, as it is bound to do within this generation, we shall not be the ones to do it.

This is a small matter, but it symbolizes also the larger policies, which must mark the increasing contacts of these peoples. In our international relations with them, in our governmental and economic penetrations, in our part, which will inevitably be very large or else tragically small, in the development of their institutions, we must forego the absurd sense of racial superiority and of inequality of rights, or we shall find ourselves losers in the race.



The Hawaiian woman under her own papaya tree.



Many of the Chinese retail merchants in Hawaii have graduated from work in the canefields.

An Hawaiian Contribution to Trade and Social Relations

By HON. WALLACE R. FARRINGTON
Governor of Hawaii

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

An advance paper from the governor of each Pacific colony or territory, or from the trade commissioner, would prove most valuable to the delegates to the Second Pan-Pacific Commercial Congress next December in Los Angeles. The Governor of Hawaii, who is also president of the Pan-Pacific Union, will prepare such a paper for his territory.

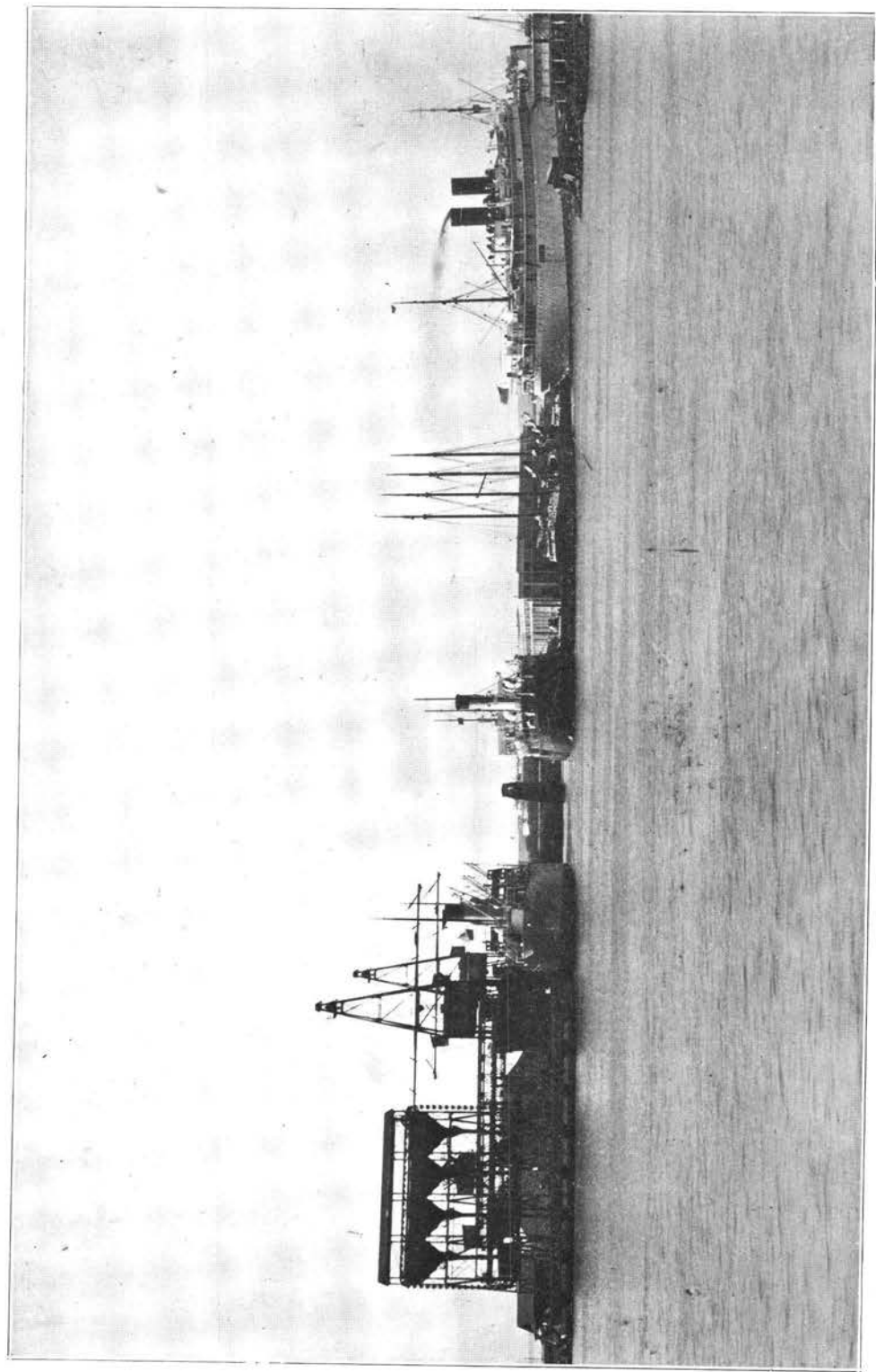
Hawaii has much that is of real value to contribute to discussion of trade and social relations in the Pacific.

Here in Hawaii, American and Oriental have met in more intimate relations than in any other part of the country. Two and three generations of the free mixtures and the free contacts of im-

migrants and their children have created conditions and results that may be fairly put down as indicative of trends.

Honolulu, therefore, is an ideal location for leaders of American business facing out upon the Pacific area to discuss trade and social relations.

The distinctive feature of Hawaii is



Honolulu harbor is undergoing momentous improvements. It contains one of the largest and best equipped coaling stations in the Pacific and maintains tanks from which fuel oil is piped directly aboard ship.

that the east and the west, the Orient and the Occident have met and joined forces on an American basis of self-respect and tolerance. The result is worth considering because you and I believe that the most notable progress of the world's history in the years before us is to take place within the area of which these islands are at once an outpost and a crossroads of commercial highways.

Thirty years ago, in 1898, Oriental, penal-contract coolie labor was one of the foundations of the sugar industry of these islands. Many able and sincere men were confident that the industry could not live without the Oriental coolie labor under such a form of contract control. The reason was plausible. On the face of it, the problem gave only one answer. Cultivation and manufacture of sugar cane everywhere had been a coolie labor industry. Java with its millions of coolies set the pace. Cheap men and lots of them was the guarantee of existence. The American system of free labor was branded as impossible for cane sugar countries. The European method had established the standard. The American idea was listened to with a more or less scornful tolerance. We were told that Orientals were different; they had to be kicked to gain their good will.

Coolie labor was presumed to be well satisfied and perhaps happier if housed in huddled barracks. It was more home-like. Under any circumstances little improvement in housing could be expected because of the expense. Price competition was too keen. It has never been done differently by the leaders of the old world, or by the new world up to that time. All this was thought necessary. It was one of the penalties we had to pay for contacts with the Orient.

But there were men who dared to believe and who dared to risk the money and the effort to support the belief that there was another way out. I call it the American way, because it drove the industry out of the trenches of penal contract labor, into the open where social relations had to be studied in industry,

and results were reflected in trade. Predicted disaster was not realized. Troublesome and difficult times there were. The various revolutions resulting in the conditions as you find them today were not worked out over night, or without a struggle. Strength under wise control was necessary to prevent the smash-up that was quite possible. The undisputed fact that we now contemplate and enjoy is that the overthrow of the ancient systems without which we were informed no cane sugar industry could exist, was complete. Americanism won.

The price of raw sugar to the consumer today is about the same as in 1898. The wage of the laborer in the field has more than doubled. The area of land under cultivation in sugar cane has doubled. The tonnage of sugar produced from the area has quadrupled. Much of the land gives larger yields than it did twenty-five years ago.

Penal contract labor has been transferred to the American system of cultivation contracts by free laborers who share in the profits of their industry. Barracks are no more. The man of family has an independent home for his wife and children. Nothing holds him to his job but his desire to make a living and a realization that he has an excellent opportunity for doing it. Human relationships with other scientific methods of dealing with the changing situation, have taken such a commanding position that the sugar industry of Hawaii, competing with the coolie laborers of tropical countries finds it profitable to employ welfare workers whose business is to study, to look after people. The ideal of yesterday is the practical working necessity of today.

The striking feature, from which we may for this occasion draw some lessons for the broader field, is the development of the Oriental under the American scheme of treatment. He responded. His children have become so modernized or Americanized that it is now charged that we are in danger of being swamped by them. Danger mongers always have some new form of disaster to which they point

with pride. Fortunately young America answers every challenge of this peaceful revolution with good natured courage and with new methods to meet new situations. The pioneer spirit is neither dead nor sleeping.

Factors of national strength and physical protection, tariff protection, modern machinery, chemistry, plant pathology, and other details too numerous to mention are woven all through the period of development, but none of those factors singly or collectively discount the value or dim the power of improved and improving social relationships in building the industry, increasing the trade, expanding the commerce, creating prosperity and cultivating contentment among all the Occidentals, the Orientals, the Latins, the Malays and the Polynesians, that make up the population of these islands—people of many races that live and work on a basis of mutual respect and racial equality.

As we look out on the future business of the Pacific area, the field is unlimited in its opportunities. The Department of Commerce has kindly supplied me with recent figures that give us a view of the scope of the field in which it is given us to make a record of success or failure. These figures are particularly effective when we use them to visualize how much more has to be done in the next twenty-five years.

The total American trade with all countries of Asia increased, in round numbers, from a value of \$188,000,000 in the year 1900 to \$1,888,000,000 for the fiscal year of 1926-27. Exports were about one-third of the imports.

In dollars of value, our share in China's foreign trade advanced from \$34,000,000 in 1900 to \$263,000,000 in 1926-27; trade with Japan from \$52,000,000 to \$685,000,000; British East Indies \$48,000,000 to \$557,000,000; Dutch East Indies \$22,000,000 to \$124,000,000; Philippine Islands from \$9,000,000 to \$177,000,000.

Our trade with Australia was \$45,000,000 in 1910 and \$218,000,000 in 1926-27. With New Zealand \$10,000,000 in 1910 and \$51,000,000 in 1926-27.

The foreign trade of the nations with which the Pacific Coast is in close touch offers figures that command our attention. China's foreign trade of \$269,000,000 in 1900 was, for the calendar year 1926, \$1,540,000,000. Japan's trade in the same period advanced from \$245,000,000 to \$2,000,000,000. The Philippines from \$47,000,000 to \$256,000,000. Australia from \$348,000,000 to \$1,400,000,000. New Zealand from \$106,000,000 to \$458,000,000.

We all agree that the salesmen of the Department of Commerce should continue their good work. But back of this governmental force or possibly moving a little ahead should be the salesmen, trained in the best schools of American ideals, the salesmen of American industry and trade. These men must be inspired with the truth that America has done things in social relations that have never been done before. Theirs is a pioneer field that has the variety and romance unequalled in the history of the world. The victory in this period goes to the men that have the brains to guide others to help themselves, the power to build and the brawn to control rather than to destroy.

As an American citizen, I take great pride in the record of trade and industry and social relations as worked out in Hawaii. While these islands were yet foreign territory, the influence of America was for preserving the individuality of all races and bringing the living standards of these races to a higher and a common level. If races and nationalities have not assimilated, they have at least merged in friendly neighborhoods. No single element has risen to fame or fortune by refusing equal opportunities to others.

Trade in the Pan-Pacific Area

By FREDERICK J. KOSTER

President, California Barrel Company, San Francisco
At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

This striking paper by a past president of the San Francisco Chamber of Commerce serves as an excellent model for a series of papers from Pacific lands on the subject chosen for discussion on the opening day of the Second Pan-Pacific Commercial Congress in Los Angeles December, 1928, "Review of Commercial Progress in My Country Since the First Pan-Pacific Commercial Congress Was Held in 1922."

I don't intend to burden you with a great mass of statistics, but just to quote enough to give some idea of what has been taking place in this Pacific Area and of course with especial reference to that portion of our United States represented by this Western Division of the United States Chamber of Commerce.

As an index we might begin with this Hawaiian portion of our country and quote a few significant figures and take only two outstanding products.

The sugar production of Hawaii in 1902 was, in round figures, 356,000 tons. In 1926 it was 787,000 tons. In 1902 practically no pineapples were packed. In 1926, 8,940,000 cases were packed.

The sugar crop of 1926 had a value of approximately \$59,000,000—the pineapple pack of 1926 approximately \$35,000,000—from nothing in 1902.

The value of the principal imports from the United States to Hawaii in 1926 was \$76,300,000 and comprised a tremendous variety of things of human requirement—a list far too long and too varied to attempt to mention.

There are in these islands something less than 340,000 people. Now visualize for a moment what this Pacific area consists of. On the western side beginning from the southerly point of South America and coming along through Chile, Peru, Ecuador, Colombia—then the countries of Mexico and Central



*Frederick J. Coster, past president
San Francisco Chamber of Commerce.*

America—Mexico, Salvador, Panama, Honduras, Guatemala, Costa Rica—then the western slope of our own United States of America, Canada and Alaska to the Bering Sea—and on the other side the whole Pacific Coast of Asia—Siberia, Manchuria, Mongolia, China, British India, British Malaya, Ceylon, Dutch East Indies, French Indo-China, Japan, Philippine Islands—then Oceania, with Australia and New Zealand, British and French Oceania.

The various sectors of the Asiatic side of the Pacific basin have an area of $7\frac{1}{2}$ million square miles compared with $2\frac{3}{4}$ million square miles that make up

the American side. This ten million square miles is slightly more than one-fifth of the land surface of the earth.

This Pacific area holds, all told, nearly one-third of the earth's combined population—540,000,000 people on its Asiatic side and 23,000,000 on the American side. The land area of the Pacific basin then is one-third larger than the continent of North America, and has a population equal to that of Europe and North America combined.

The interchange of commodities among this group of humanity is the subject with which I am very briefly expected to deal and particularly with regard to its bearing upon the western portion of our own country; namely, the eleven states included within the western division of the United States Chamber of Commerce and of course including Hawaii; namely, California, Oregon, Washington, Montana, Utah, Wyoming, Nevada, Arizona, New Mexico, Colorado, Idaho and Hawaii. In 1913 the population of this district was approximately $7\frac{3}{4}$ million people. In 1926 slightly over 11 million people. A gain in population during that period of some 40 per cent.

It might not be amiss to quote a few figures giving some slight insight into the progress made by the eleven western states. I haven't the like figures for Hawaii. The total value of the products of agriculture of that district was in 1909; \$562,000,000; in 1924, \$1,358,000,000.

The value of mineral products in 1909, \$354,000,000 and in 1926, \$1,046,000,000.

The value of manufactured products in 1909 was \$1,208,000,000, and in 1925 \$4,502,000,000.

I regret that the exactly comparable dates are not available, but they are near enough to give some conception of the progress that has been taking place.

The total foreign trade of the Pacific Coast of the United States of America and the rapidity of its growth the last

25 years is shown by the following figures:

	Exports	Imports
1900.....	\$ 69,608,329	\$ 58,401,381
1913.....	134,203,664	131,301,410
1926.....	516,471,238	537,534,391

In 1926 the Pacific Coast combined volume of exports and imports amounted to \$1,054,005,629 (nearly ten times that of 1900 and four times that of 1913), against \$128,009,710 in 1900 and \$265,505,074 in 1913.

The trade of the western states of the United States with nations of the Pacific area is shown by the following figures:

Southern, eastern and southeastern Asia viz. Pacific Coast of Asia—Exports, 1913, \$64,399,212; 1926, \$200,746,086. Imports, 1913, \$79,162,391; 1926, \$391,281,285.

Oceania—Exports, 1913, \$6,854,326; 1926, \$46,789,102. Imports, 1913, \$1,907,227; 1926, \$5,441,476.

Mexico and Central America—Exports, 1913, \$5,949,332; 1926, \$26,029,093. Imports, 1913, \$4,048,558; 1926, \$27,666,646.

West coast of South America—Exports, 1913, \$2,770,425; 1926, \$15,990,496. Imports, 1913, \$3,926,820; 1926, \$19,527,420.

Grand total—Exports, 1913, \$79,973,295; 1926, \$289,554,777. Imports, 1913, \$133,004,055; 1926, \$443,916,827.

It might be interesting to call attention to the following comparison:

United States exports to France in 1926, \$263,780,000.

United States exports to Japan in 1926, \$260,754,000.

United States imports from France in 1926, \$152,030,000.

United States imports from Japan in 1926, \$400,692,600.

Total volume with France, \$415,810,000.

Total volume with Japan, \$661,446,600.

These figures give some idea of the significance of our trade in the Pacific area. I find also that the total exports of the United States as a whole in 1926

to Asia and Oceania amounted to \$772,000,000 and the imports to the United States as a whole and those sections of the Pacific area amounted to \$1,443,000,000, or nearly double the amount of our exports. Of course, these imports are greatly increased by certain things that we are, at least not yet, able to produce for ourselves, as, notably, rubber.

This makes a total volume of trade between the United States, Asia and Oceania of \$2,215,000,000.

Dr. Julius Klein, director of the Bureau of Foreign and Domestic Commerce, states, with regard to trade of the Pacific Coast states with the west coast of South America:

"A study of the import statistics of Ecuador, Peru, Bolivia and Chile, generally designated as the west coast countries of South America, shows constantly increasing imports, with a steadily mounting share from the United States. In 1913 total imports into these countries amounted to \$177,819,482, of which 18.2 per cent originated in the United States; in 1924 total imports had risen to \$237,723,115, of which 29.6 came from the United States; of total imports valued at \$256,669,123 in 1925, 31.9 per cent were from the United States; and 1926 figures show total imports of \$262,529,959, with 36 per cent coming from this country.

The Pacific Coast states have shared extensively in this expanding market, shipments thereto from the ports of Oregon, Washington and California having increased 238 per cent between 1913 and 1926, or from less than \$4,500,000 in the former year to more than \$15,000,000 in the latter. In view of the fact that total imports into these four west coast countries of South America were only 47 per cent greater in 1926 than in 1913 and that total imports from the United States increased 192 per cent, the increase of 238 per cent from the Pacific Coast states is particularly significant.

"The outlook in this market for Pa-

cific Coast products is exceptionally bright. In 1926 the west coast countries of South America imported \$178,400,000 worth of merchandise of a character similar to that produced in the United States Pacific Coast area, or nearly twelve times the amount which our Pacific Coast exported to that region. Obviously, it is not to be expected that any single source of supply can ever monopolize the entire demand, but the facts adduced show the potential development, and these possibilities are accentuated by the present great expansion that is taking place in the commercial and industrial structure of the South American west coast."

Dr. Julius Klein also says, in an article on "Our New Trade Frontier in the Orient," that:

"Before the World War (in 1913) our commerce—exports and imports—with these lands from New Zealand around to Japan and westward to India totaled, in round figures, \$462,000,000. This represented just under 12 per cent of our total imports and just under 7 per cent of our total exports.

"Last year we did a business with the Orient of \$2,215,000,000, of which \$1,443,000,000 represented imports and \$772,000,000 represented exports. This import trade now constitutes 30 per cent of our total imports, and our exports to the Far East have increased to 14.6 per cent of our total exports. In no other part of the world have we made such rapid advances in the development of both import and export trade as we have with the countries of the Far East. Not only has the actual volume of the trade increased many fold, but the proportion of our world commerce represented by it has more than doubled.

"Industrially, also, the Orient has been awakening, and in those lines where unskilled labor may be utilized to advantage, some degree of success has been attained. Japan, for example, has developed a large cotton-textile industry, India has done the same, and in

China over 5,000,000 spindles are in operation, of which more than 3,000,000 are Chinese owned. The Far East now employs tens of thousands of workers in its mills and the new purchasing power represented by its mills and the new purchasing power represented by their earnings is expanding steadily. India has in Bengal a world center for jute production, and is developing slowly but successfully an iron and steel industry.

"Even more important than these considerations is the fact that this new economic advance across the Pacific will afford a new outlet for the many varieties of special machinery, replacements, and supplies which America is so well qualified to provide. Our sales of machinery to this region in 1926 reached the impressive total of \$72,000,000—and this is just a beginning. Furthermore, this factory development involves the payment of wages which yield a higher income to thousands of the native population than they would otherwise receive, and it has already had the effect of increasing their purchasing power noticeably.

"These factors have already resulted in remarkable developments in the sale of small luxuries to the Far East, which are now being distributed in areas where poverty has heretofore precluded their being marketed. American sardines, for example, are widely sold throughout the Far East, and in remote sections of fish consuming regions, like Burma or Java, considerable quantities are consumed even in native shops run on such a small scale that single sardines are delivered direct from the tin to customers for home consumption. California raisins, also, are being distributed extensively throughout Japan, China and Java, and more recently in British India. Such articles as chewing gum, silk hosiery, flashlights, radio sets,

phonographs and phonograph records, canned vegetables and fruits, breakfast foods, and condensed milk are beginning to appear more largely in our export statistics to the Oriental countries. As yet some of them represent individually only moderate values, but they are straws indicating the direction of the trade winds of the future. These little imported luxuries are going to be more and more in demand as the standard of living rises in the east and America's share in supplying them should be a substantial one.

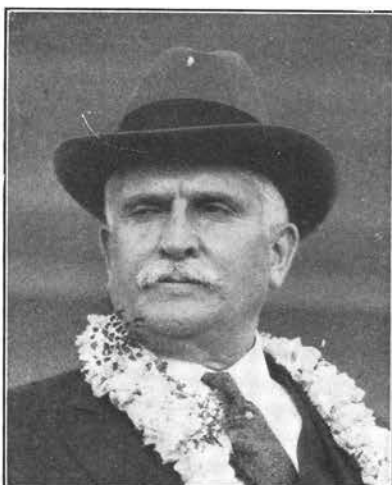
"On a larger scale is our growing trade in automotive products and tires, which were sold to a total of \$79,000,000 in the Far East during 1926. Many of the trans-Pacific countries—notably China, India, and Australia—have rail systems inadequate to meet the needs of their internal commerce, and the automobile and motor truck are being introduced to fill the gap. This progress would undoubtedly be faster if road and highway development were greater, but we have already sold so many motor vehicles in the Orient that the need of better highways is being felt. There, just as in the United States, the use of motor transport creates a demand for roads, and good roads develop a demand for motor vehicles. The reciprocal effect of these two factors is beginning to operate in the Orient.

"There is some evidence that the trade lines of the future will knit the United States more closely with the relatively nearby countries of China and Japan, where we have the advantages of proximity, as compared with the European nations, and where our progress is unimpeded by the preference of colonies for the goods of their mother countries. It is to Japan and China that we shall be shipping the major portion of our sales to the Orient, and our purchases from them promise to continue at a heavy rate."

The U. S. Chamber of Commerce

By W. C. BUTTERWORTH

An Address Before the Pan-Pacific Club
of Honolulu



*William Butterworth, Vice-President
North Central Division, Chamber of
Commerce of the United States.*

I have been asked to say a few words in reference to the United States Chamber of Commerce. I have been connected with that organization almost from its beginning. You will remember some fifteen years ago the business man was not very popular in Washington. The popular pastime on the part of those in Congress seemed to be to lambast business. They said that the business man never came to Washington unless he wanted something. That was usually true, because he didn't want to go to Washington unless he had to, and he never had to go until there was something which demanded his attention in the interests of the business he represented.

The result of that condition was that during President Taft's administration he invited a large number of business men to Washington with the idea of perfecting some kind of an organization which could take the business man in hand and show to the country really what business is and what business men are. The result of that organization is that today there is an entirely different attitude on the part of those in Washington toward business men.

The Chamber of Commerce is made up of high grade business men, men who have made it plain, I think, to those in Washington that they are not selfish. They go down there and give their time

and work to the board of directors and to the committees which are advisory to the different departments. If a man is absent from a meeting of the board of directors three times in succession without an excuse he is automatically eliminated. Being busy is no excuse, although being sick is an excuse. Now I think the business man can walk down Pennsylvania avenue on the arm of any congressman and the congressman won't feel hurt about it.

So, today, not only is the relation of mutual confidence established but members and heads of the departments of the United States Chamber of Commerce are on a number of committees of the departments in the government as advisors.

We have in the United States Chamber of Commerce seven or eight departments, of finance, of manufacture, of agriculture, of natural resources, of insurance, and of distribution, and all are headed by men who know what they are talking about, trained men. These managers have as advisors, for instance, the department of manufacture, the best outstanding manufacturers in the country, with usually from ten to fifteen members on this advisory board. It is the same

way with insurance and other departments. These men are not selfish when they give up their time for this; it is not for themselves, not for their own organizations, their own particular territory, but for the good of their entire country. The man who comes to the United States Chamber of Commerce with a selfish motive does not get to first base. He has to act in the interests of the entire country with the idea that the benefits will be reflected back to his own organization.

The Chamber of Commerce, with a membership of business men of something like 800,000, is an organization of influence. With that influence, of course, comes a great responsibility. The business men of our country realize that (and I include this island just as much as the mainland) we must see that business is carried on along the best lines, that we act on the square all the time. Because, if we are to be leaders, and business men are more and more coming to the front as leaders, as indicated by the establishment or foundation of a department of business in Harvard not long ago . . . Mr. Young, in making the dedicatory address, said that they had a school for lawyers one hundred years old, a school for doctors one hundred years old, a school for preachers one hundred years old, and yet only today had they established a school for the business men. This indicates very plainly that business itself is coming to a place of real importance.

The business men, as you know, talk to each other face to face; they tell each other just what they mean. Maybe they are not diplomats, but they talk with understanding. We find that to be the case in the International Chamber, where people absolutely unacquainted with each others ways get together, and after they get to understand each other it is much easier to get results through these business men who sit down and talk things over. You get the results. We get the



Lewis E. Pierson, President of the United States Chamber of Commerce.

business men together and talk these problems over as we have right here in Honolulu. We don't talk for public consumption generally, but for the real good of all the people.

We have in Washington a home for business. It is your home just as much as it is any other business man's home, and we are anxious that when you go to Washington you should go to that home and use it. If you have a committee meeting, if you want to meet with your congressman, or have any other use of that building, go and use it. If you are a manufacturer, go to the manufacturing department and find out what they are doing. It will do you some good, I am sure. It is the same way with the other departments. The building is there and is paid for; it belongs to us; we want everyone, the ladies as well as the men, to use that building.

It is a great satisfaction to me to be here. I am no speaker, just a common, ordinary workman, but when I am under orders I have got to perform. If this little message to you has given you any better idea of the chamber, my work will have been performed so far as I am concerned.

A Pan-American Commerce Union

By O. K. DAVIS,
Secretary National Foreign Trade
Council.

This article by O. K. Davis, Secretary of the National Foreign Trade Council of America, might serve as a model for a paper from each Pacific country on its trade, and trade possibilities with Latin America. In Kobe, Japan, for instance, is a Brazilian Commercial Museum; a paper on Commercial Museums in the Pacific and their uses would be of value. Japan is rich in these.

"With five billion dollars of American investments in Latin-America, with a network of new steamship and cable communications, with a well-directed trade promotion campaign on the part of American exporters, and, especially, with the fundamental asset of the Panama Canal, our trade with the twenty countries of Latin-America has not merely held its own since the war, but is steadily increasing from year to year at the expense of our competitors. In spite of a widespread belief that we are "slipping" in Latin America, the figures show that we are selling the twenty republics south of us a hundred million dollars' worth of goods a year more than England, Germany and France combined and that practically one-fifth of our entire export trade now finds a market between the Rio Grande and Cape Horn.



Pan-American building in Washington, D. C.

The United States is now the first supplier of goods to every country in Latin America except Paraguay; more than two-thirds or \$600,000,000 of our exports southward are the finished products of American manufacturers."

The doubters of our steadily increasing trade and investment in Latin America were arraigned today by O. K. Davis, Secretary of the National Foreign Trade Council, with the reminder that actual indexes of trade collected both here and in Latin America are utterly oblivious of any backward tendency but show, on the contrary, sustained and increasing growth. This applies to our trade and financial contacts with all of the Latin American nations, added Mr. Davis, especially with those where competition is keenest.

"The rumor that we are 'slipping' in Latin America has done harm both here

and down there," said Mr. Davis, "but it's a complete dud. We are now selling Latin America almost a billion dollars' worth of goods annually, compared with our average annual sales of \$300,000,000 before the war. We have raised our share of South America's imports from 14 per cent in 1910-13 to 28 per cent in 1925. And according to current figures we will supply 30 per cent of all South America's foreign purchases this year.

"For the whole of Latin America, including Central America and the West Indies, we have increased our share in the imports of these twenty republics between 1913 and 1925 from one of about 25 per cent to one of 37½ per cent. And for Central America alone our share as a supplier has grown from one of 40 per cent to one of over 66 per cent during the same period.

"On the other hand, our chief competitors — England, Germany and France — have seen their proportion of Latin America's imports as a whole decrease from more than one of 50 per cent in 1913 to one of 33 per cent in 1925. As a matter of fact, we are supplying Latin America with substantially more goods than our three competitors put together, the figures being \$914,000,000 as against \$804,000,000 for the latest comparative tables, those of 1925, while in Central America alone they supplied in 1925 but 16 per cent of the imports against our 66. Our competitors in Latin America are keen and alert, but it is notable that it is they who are copying our methods today. We may not be making the most of our opportunities, but it is they who are slipping—not we.

"We find, on looking more closely at the actual figures that in every single country in South America with the exception of Paraguay we are the principal supplier of goods. In 1913 this was true only in the cases of Colombia, Venezuela, Ecuador and Peru. Now it

is true with respect to Argentina, Brazil, Chile, Uruguay and Bolivia as well, and there is only 1 per cent difference between ourselves and England even in the case of Paraguay.

"This represents an extraordinary growth considering the fact that in 1890 our exports to South America were only one-tenth of the total she received, and had only grown to one-sixth before the war. Now they are almost one-third and there is no sign anywhere that this steady growth is being or is going to be arrested.

"One reason for this increase of United States trade that is not far to seek is the great development of our investments. From about 100 millions before the war they have grown to over a billion and a half dollars in South America in the present year.

"According to the latest figures of the Bureau of Foreign and Domestic Commerce our trade in Latin America rests on a solid triangle of investments wherein a billion and a half dollars is invested in Cuba, another billion and a half in Mexico and Central America, and more than a third billion and a half in South America, making a total of between four and a half and five billion dollars of American money which we have now invested to our account throughout Latin America. Since 1919 flotations of government and business loans in Latin America in this country have amounted to about \$200,000,000 a year and have approximated the very substantial sum of \$2,000,000,000,000 of new post-war investment.

"This is a very solid reason why our trade grows and continues to grow. Another contributing cause is the improvement and maintenance in that improvement of our shipping lines, particularly to South America. Now United States vessels operate to all points of the continent offering faster service than British vessels — eighteen days

from New York to Buenos Aires and twenty days from New York to Valparaiso, with corresponding fast time to other South American ports on both coasts. The merchant marine of the United States has risen to the emergency and matches and exceeds its competitors in passenger and freight accommodations and in alertness in getting and holding business.

"In the essential matters which make for trade, it must be acknowledged by those who question our achievements without any knowledge of them, that we are gaining steadily from year to year while our rivals are losing ground. In Cuba, for instance, our share of the republic's imports have increased from 53.7 per cent in 1913 to 63 per cent in 1925, while that of England has decreased from 11.5 per cent to 4 per cent; in Mexico we supplied 70 per cent of the republic's imports in 1925 as compared with 50.6 per cent in 1913; while England's share fell during the same period from 13.9 per cent to 8 per cent.

"But it is in the most intensely competitive markets in South America, particularly in the Argentine, as well as in Brazil and Chile, where the true test comes. In all these three countries the United States was considerably behind both England and Germany as an exporting nation in 1913. It is a remarkable symptom of our growth that in each one of these countries, whose combined trade amounts to one-third of that of the South American continent, we are now first, and are increasing rather than relinquishing our lead.

"The figures graphically tell the story. Our export trade to Argentina has increased from 14.5 per cent of the republic's imports in 1913 to 23.4 per cent in 1925, while England's share has decreased in the same period from 31 per cent to 21.6 per cent; Germany's proportion in the same interval has dropped from 16.9 per cent to below 13 per cent. In Brazil our superiority

is even more definitely established. Between 1913 and 1925 we increased our share of Brazil's imports from 15.7 per cent to 24.8 per cent, while England's share decreased during the same period from 24.5 per cent to 22.5 per cent, and Germany's from 17.5 per cent to less than 10 per cent. Our percentage of Chile's imports increased from 16.7 per cent in 1913 to 27.5 per cent in 1925, while England's was decreasing from 29.9 per cent to 20.7 per cent, and Germany's from 24.6 per cent to 13 per cent.

"In the northerly South American countries our margin of precedence as an exporter is even more marked. In Venezuela, Colombia, Ecuador and Peru our proportion of the imports of these countries ranged from 39 per cent in the case of Peru up to 54 per cent in the case of Colombia for the year 1925, aggregating for the group of countries more than that of our two leading competitors combined.

"Our growth of trade in these northern countries of South America is of primary importance, for there is no contiguous group of countries in the world that has more substantially increased its foreign trade since 1913 than the five republics of Central America and six of northern South America, with Mexico, Cuba, Haiti and Santo Domingo. The fifteen countries in this progressive trade belt have increased their exports from about \$505,000,000 in 1913 to about \$1,125,000,000 in 1925, a growth of almost 125 per cent, or substantially in excess of the corresponding growth of United States exports of a little less than 100 per cent during the same period. The growth of the American share in their import trade from less than 50 per cent in 1913 to over 65 per cent at the present time (1926) is a sufficient commentary on the enterprise and success of American foreign trade in this rapidly growing field.

"These countries are certainly vital to our trade for we sold them in 1926 more than \$600,000,000 worth of goods, 13

per cent of our total exports, compared with an annual average of sales of about \$225,000,000 before the war. Our export gains in this period aggregate over 160 per cent since the war, and there is no field anywhere in the world where the likelihood is greater that this growth will be held.

"The experts who have told us that our Latin American trade was a post-war opportunity which would soon lapse neglected to consider such trifles as the Panama Canal, which has quadrupled the exports of our west coast to the east coast of South America and has produced an almost corresponding effect from our own east coast to the west coast of South America. They have also not considered that our cable communication with Latin America is now almost twice as extensive as it was before the war. In 1913 European-owned cables in Latin America totalled 25,000 miles to our 14,000; today we operate 24,000 miles of cables while European cables remain about the same. In other words, American news is now transmitted by American cables; American business men communicate with home quickly and much more cheaply than before and the result on business has been extensive and permanent.

"The United States now maintains trade commissioners or commercial attaches at Rio de Janeiro and Sao Paulo, Brazil, Buenos Aires in Argentina, Bogota in Colombia, Caracas in Venezuela, Havana, Cuba, Mexico City, Montevideo, Uruguay, and Santiago, Chile in pursuance of a worldwide system of trade stimulus whose alert cooperation with American foreign trade is almost entirely new since the war. More Americans are traveling and more South Americans are visiting us and are sending their sons and daughters to be educated at our colleges.

"The development of our trade with Latin America is, therefore, not merely an opportunist advantage of the war but a well-founded development from other

major contributing circumstances whose effect has also been to place our political relations with our southern neighbors on a sounder basis than for many years past.

"The fact that American finished manufactures increased among our exports to South America from an average of \$83,000,000 in the years between 1910-14 to \$314,000,000 in 1926, while our total exports were increasing from \$120,000,000 in 1910-13 to \$441,000,000 in 1926, records the outstanding drift of South American trade in our direction. Manufactured goods constitute about three-quarters of our trade with all the South American peoples, and their effect has been to increase the standard of living appreciably throughout the continent. This is scarcely less true of our trade with Latin America as a whole, about two-thirds of our \$914,000,000 export trade with the twenty countries, or over \$600,000,000, being devoted to manufactured products.

"Our most significant gain has been in textiles, prepared foodsuffs and machinery, including automobiles. These products have not sold themselves. After a long education American foreign traders have learned how to supply the Latin Americans most intelligently, how to pack, ship and handle the complicated elements of style requirements, business forms, local advertising, credit arrangements and financing in ways that our today no longer the derision of our competitors but in very many cases the model to which they are adapting their own trade methods.

"British shipping and British investments are still in excess of our own south of Panama, and German trade recovery must, of course, be reckoned with. But the trade development of the United States is now a known quantity for stability and progress throughout the Latin American world. It is a fundamental security for our continued friendship with our Latin American neighbors and a vital stake in our own foreign trade progress."

Trade in the Pacific Area

BY JAMES HENDERSON

President, Associated Chambers of Commerce of Hawaii
At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

It is only necessary to glance at a map of the Pacific Ocean and to note the position of these Islands therein to convince the observer of the commanding position which this "fleet of islands" occupies in the Pacific, both from a commercial and military standpoint.

The increase of tonnage and freight which enters and clears from the ports of this Territory offers, therefore, a fairly sound basis for a study of the comparative growth of commerce, not only within the Territory of Hawaii but in the whole Pacific area.

In the year 1898, the year when we voluntarily became a part of the United States and were annexed thereto, our harbors were comparatively poorly equipped, of insufficient depth to accommodate the increased tonnage of ships carrying the Pacific commerce, and were generally inadequate to meet the needs of this constantly growing traffic.

To a very large extent the Territory of Hawaii has assumed the responsibility, financial and otherwise, of making these island harbors adequate for all purposes.

The Federal Government has constructed a breakwater at Nawiliwili, on the island of Kauai, and at Kahului, on the island of Maui, and is constructing a breakwater at Hilo, on the island of Hawaii, approximately two miles long. When the breakwater in Hilo harbor shall have been completed it will provide the City of Hilo with the largest and best harbor in the Territory and one that will compare favorably, in area and safety, with any harbor on the Pacific Coast.

The Federal Government has also undertaken and is now carrying on dredging operations at various ports of the Territory which, will enable ships of the

largest tonnage to safely enter therein.

The docking facilities, the slips and the wharves, however, have been created and constructed out of Territorial funds exclusively. Because of the comparatively narrow limit to our borrowing capacity, which is imposed on us by the Federal Government, this work has been progressing steadily, but slowly. In the year 1900 the Territory of Hawaii expended in wharf construction and dredging operations the sum of \$111,000. In the year ending June 30, 1927, the Territory of Hawaii expended for the same purposes approximately \$1,300,000, an increase of almost twelve times in that period.

During the same period, and as evidence of the constantly increasing growth of trade in Hawaii and in the Pacific area the revenues from the Territorial wharves increased from approximately \$71,000 in 1900, to approximately \$420,000 in 1927, an increase in that period of approximately 600 per cent.

In the year 1900, according to Thrum's Annual of that year, the total tonnage of all ships entering the ports of Hawaii amounted to 441,000 tons, while in the year 1927 the total tonnage entering the ports of Hawaii amounted to 8,228,000, an increase of more than 1700 per cent during that period of twenty-seven years.

As an interesting side light on the changes which have taken place in the character of the shipping during the same period the available statistics show that, in the year 1904, 364 steam vessels and 377 sailing vessels entered the ports of Hawaii, while in the year 1927 there were 1089 steam vessels and only 10 sailing vessels.

Another interesting fact to be noted in

connection with this trade growth in the Pacific is the fact that the total value of Hawaiian exports and imports increased from approximately \$25,000,000 in 1900 to approximately \$200,000,000 in 1927, and as indicative of the growth of domestic commerce in Hawaii the statistics show that in the year 1900 we exported produce of the value of \$14,500,000 while in the year 1927 our exports amounted to over \$100,000,000, over 95 per cent of which was shipped to the Western Coast of the United States.

Up until the middle of the last century the Inter-Island traffic was handled by schooners and other small sailing craft whose schedule was at the best uncertain and often much worse than uncertain. A schooner setting sail from Honolulu for Hilo, approximately 200 miles distant, might reach its destination in two days. Often, however, becalmed off the lee of one of the intermediate islands, it might take two weeks or more to make this voyage.

Local steam navigation in the Territory had its beginning with the organization of a corporation known as the Hawaiian Steam Navigation Company in 1859. The following year a little steamer of 414 tons capacity, commenced the first regular run between Honolulu and Hilo.

The present successor to that initial enterprise, the Inter-Island Steam Navigation Company, Limited, operates a fleet of 13 passenger and freight steamers running to all the ports of the Territory. A fourteenth steamer to run between Honolulu and Kauai will be completed about the middle of this year. She will have a displacement of 4100 tons with twin screws and steam turbine engines and a passenger capacity of over 350. The records of the Inter-Island Steam Navigation Company, Ltd., show that for the year ending June 30, 1927, their ships carried between the inter-island ports of the Territory about 120,000 passengers and over 350,000 tons of freight.

The amount of money which this Territory pays into the Treasury of the United States in customs dues and in-

come and other taxes also furnishes us with some information relative to the value to Uncle Sam of this Pacific commerce. Since the organization of this Territory in 1900 the Territory has paid to the United States treasury in customs dues and income and other taxes, the sum of approximately \$96,000,000 and during the same period the United States Government has disbursed in salaries, incidental expenses, etc., the sum of approximately \$772,000, leaving a net balance to the United States in a sum of more than \$95,000,000 for the period.

It is a foregone conclusion that, within the next few years, there will be an immense development and increase in commerce between the Pacific Coast and the Orient and the ports of Honolulu and Hilo will undoubtedly occupy a commanding influence in the development of this trade. With the completion of the breakwater and of the present dredging operations Hilo harbor, as a harbor, will be well able to accommodate any such increase, both of number and size of ships. It will need, however, greatly increased terminal facilities. Honolulu harbor, already crowded, at times, almost to its capacity, will need the full development of Kapalama Basin and when that is completed, with additional terminal facilities, Honolulu harbor will be entirely capable of meeting all demands that may be made upon it. All these developments, however, require money and a lot of money. It is doubtful whether or not, under the present limitations imposed on us by Congress, we, as a Territory, will be able to finance those new developments to the extent necessary to meet the coming demands.

As an adjunct to these harbor facilities, the Territory has entered upon a program of developing Air Ports and Aviation Fields on the principle islands of the Territory and we hope that, within a few years, these flying fields will be developed to such an extent that we will have regular commercial flying between the islands, and that they will be all available for military purposes.

Sugar in Hawaii

By E. FAXON BISHOP

President, C. Brewer & Company, Ltd.,
and former President Honolulu
Chamber of Commerce

Mr. Faxon Bishop's masterly paper on sugar in Hawaii should elicit kindred papers from Australia, Peru, Mexico, Formosa, French Indo-China, and the Dutch East Indies, as well as papers from western America and elsewhere in the Pacific on the possibilities of beet sugar production.

Industry in Hawaii is nearly 100 per cent agricultural. We have no manufacturing as the term is usually applied, we have no mines, no lumbering industry, and the whaling fleet passed from the picture more than half a century ago.

Such manufacturing as is done here is incidental to and sustained by the plantations, iron works, fertilizer works and the like; all lean on the Agricultural pursuits of the Territory. Our agricultural efforts may be said to be confined to two crops, Sugar and Pineapples, roughly, 75 per cent sugar and 25 per cent pines, if we compare the values of the annual crops produced by each. I am speaking for Sugar and the H. S. P. A., an organization representing all of the Sugar Plantations of Hawaii with one or two exceptions. As far back as the 1840's there were efforts in the direction of Sugar but the first production figures show that in 1860, 572 tons were produced. From 1860 to 1876, the date the Reciprocity Treaty between Hawaii and the United States became effective, the Sugar business in Hawaii was a heart-breaker, and probably more money was put into it than was taken out.

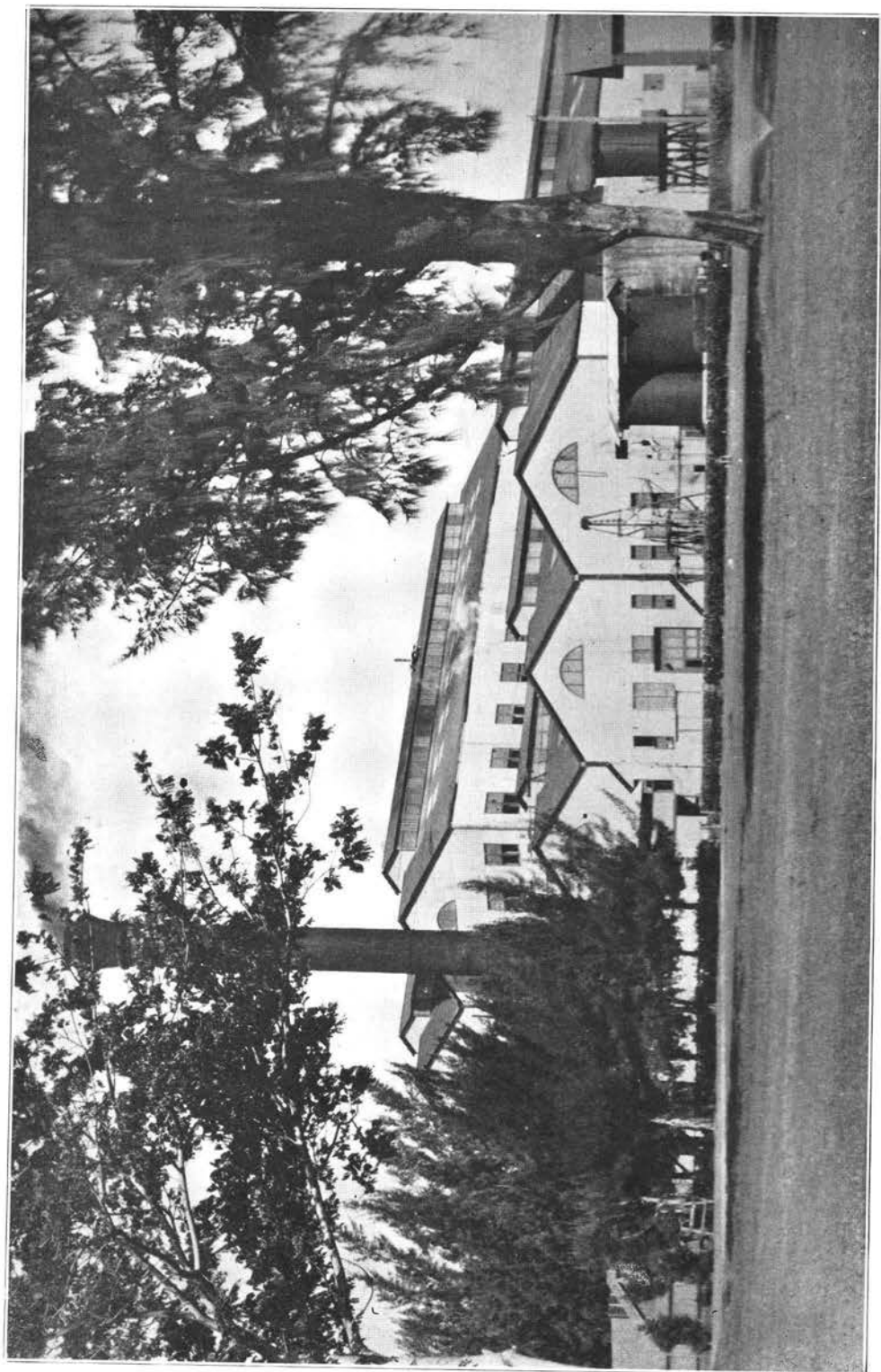


E. Faxon Bishop.

However, in 1876 some 13,000 tons were produced and with the tariff advantages given us by the treaty steady progress in production took place year by year, and from 13,000 tons in '76 we increased production to 220,000 tons in 1898, the year of annexation of Hawaii to the United States as a Territory. Just here I would like to emphasize that we are a Territory of the United States in the sense that New Mexico and Arizona were territories when I went to school. There is a lack of understanding that is surprising of this fact and we are not infrequently put in the class of being "possessions" along with Porto Rico and the Philippines.

The difference is that we are subject to all Federal laws and restrictions. Porto Rico and the Philippines are not. They control their own customs levies, make their own immigration laws and pay no income taxes. Our customs and post-office receipts go to the United States treasury and I noticed some few years ago that income taxes collected in Hawaii exceed collections from some twelve states of the Union.

But to get back to Sugar. In 1910 our production hit the 500,000 ton figure. In 1923 we produced 545,000 tons, while the following four years, 1924-27, marked



In Hawaii are some of the largest and most efficient sugar mills in the world. The machinery is built at the Honolulu Iron Works and the grinding machinery gets more juice from the cane than any yet constructed. The bagasse, after sugar is extracted, is used for fuel by the mills.

our most rapid and phenomenal growth, the crop of 1927 being 811,000 tons. What caused this wonderful advancement? No new plantations have been started in Hawaii for 20 years past. The old ones have perhaps increased their areas a little around the edges. We have no back country to develop; the pine people are doing that, using lands of the pasture class at elevations too high and too dry for sugar. The phenomenal advance in our production this past four years has been largely due to science and progressive methods in agriculture. The Experiment Station of the H. S. P. A. had its inception or founding in 1883, fifteen years before we were annexed. Its several divisions of Agriculture, Chemistry, Entomology, Pathology and Forestry have all contributed to the scientific results that have meant continued advance of the industry. The Agricultural Division has produced and developed from seedling work new cane varieties of higher productiveness to replace former varieties that failed from plant diseases, inroads of insect pests, and other causes. When a crop failure of this kind takes place in Hawaii it is a serious affair as it takes several years to replace a crop of one variety that has failed with another that is resistant to the causes that brought about the ruin of its predecessor. The entomologists of our Experiment Station have achieved things that have been marvellously effective and little short of astounding. Dr. L. O. Howard, chief of the Entomological Division of the Department of Agriculture at Washington, told me some years ago that the biggest things that had been done in economic entomology had been done in Hawaii, and he had reference to the work of Koebele and Perkins on the leaf hopper and that of Muir on the cane borer. We fight bugs with bugs. The leaf hopper had us in a fair way of being wiped off the map in 1903-06, and the cane borer was taking a heavy toll on our cane in certain localities. I might mention one instance of a plantation that fell from

19,000 tons to three hundred odd tons during this period. We are told by the entomological men of science that every bug has a natural enemy in another bug and the problem is to get the two playing around together. So the work of our scientific men was to search out the parasitic enemy of the hopper and the borer that were so rapidly destroying our crops. This was finally accomplished, but it was a task of several years' time and most intensive effort. The parasites sought were in one instance found in the wide reaches of Queensland and the other in the jungles of New Guinea after some perilous experiences and exhaustive physical effort. The transportation of this extremely delicate material from thence to Hawaii was accomplished after several discouraging failures. Then came the breeding of the species on the ground and its distribution to the plantations of the various islands of the Territory.

Anyway it was practically demonstrated that the insect enemy or parasite theory was right, as they ridded us of our two most dangerous pests. It seems also that the parasite is no menace, as his natural prey is his food, and as the one decreases in numbers the other succumbs in like ratio, and the situation is today that the danger from these two serious foes to our industry is reduced to a minimum and is held there. When the pest stages a come-back his enemy does likewise, so the situation is held in effective control.

Our Experiment Station was so well developed and doing such effective work after years of experience, when we were annexed to the United States in 1898, that we have continued it and have not called for service from the Department of Agriculture in Washington beyond collaboration and cooperation; furthermore, Washington is a long call from Hawaii, and sometimes we are in a hurry and have found it to our advantage to practice the proverb that the Lord helps those who help themselves.

But once again I must go back to the production question. I have stated that in 1927 we bagged up 811,000 tons of sugar. This quantity was harvested from 127,000 acres of land, or an average of 6.37 tons per acre. Forty-eight plantations contributed in this average. The lowest individual plantation average yield was 2.17 tons per acre, the highest 11.30 tons per acre. The variation indicates that part of our oranges are lemons, but more seriously that the plantations with the greatest natural resources of soil, irrigation water supply and climatic conditions lead the procession. Tomorrow I believe you are to visit a plantation of this latter favored class, located on this island, and there you will see perhaps the greatest sugar estate of the world, although there are two others in this Territory that are close seconds. This company grows all of its own cane excepting a negligible quantity. It has under cultivation upwards of 12,000 acres. It has pumping stations that lift 75,000,000 gallons of water daily to a maximum elevation of 450 feet above sea level; a sugar factory with a capacity of 250 tons of sugar per 24 hours; a railway system of 56 miles of permanent track, and the necessary rolling stock to haul 550,000 tons of cane from field to factory during the harvesting season. It has a gravity water system of 30,000,000 gallons per day supplied by means of a three mile tunnel through the main mountain range of this island, with ten miles of side tunnels and conduits tributary to it. It is a magnificent industrial organization, but please bear in mind when you look it over that there are only a few of its kind, and a goodly number that have a struggle for existence.

I would like to impress upon you the fact that cane in Hawaii is a two-year crop, not a one-year growth as in Cuba and other tropical countries, or a six or seven months crop as in the case of beets. So if our yields per acre amaze you in comparison with other tropical countries you can reconcile the difference by dividing our results by two. The ex-

planation is that we are only sub-tropical and have not the heat and soil of our tropical competitors. We do grow, to a limited extent, what we call short ratoons; that is, the fields that come off in the early months of this year may be ratooned and harvested in late months of next year. This can only be done, however, on plantations of the favored class, where climate and water enable uninterrupted and rapid growth. We do have some cane also at high elevations that stands as long as 30 months. Nevertheless, this situation means that we always have two crops in the ground. We are harvesting one; the second is coming on for next year. From all of this you will get an idea of the extent of plantation operations in the field and the enormous areas that must constantly be cared for. While we harvested last year 127,000 acres, it is probable that our total area under cultivation for all crops was in the neighborhood of 243,000 acres. We must and do fertilize intensively, and our fertilizer costs run from 50 to 75 dollars per acre per crop. Irrigation is also costly. At Oahu Plantation, which I have already mentioned, their bill for power in connection with pumping plants is a matter of 365,000 dollars per year, to say nothing of the cost of distribution of the water.

Marketing: Touching the marketing question—the sugars produced in Hawaii with the exception of say 18,000 to 20,000 tons for local requirements, the most of which is absorbed by the pineapple canners, is sent to the two San Francisco refineries, the California and Hawaiian and the Western, in about the proportion of 75 per cent to the former and 25 per cent to the latter. The California and Hawaiian is owned by some 32 plantations in Hawaii, who send their raw production there for refining and marketing. The sugar is sold by the brokerage system, the Pacific coast states absorbing approximately 43 per cent, and the territory from the Rockies east to the Mississippi taking 57 per cent. Naturally, as soon as we operate east of the Rockies we fall into open competition with the

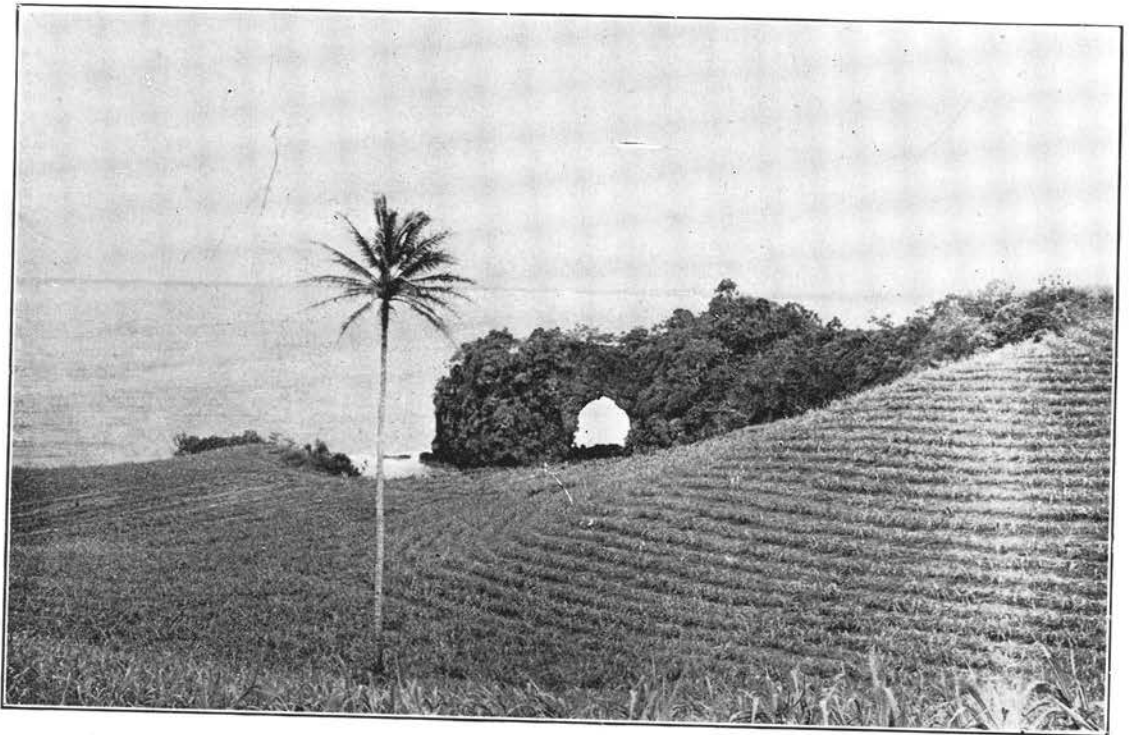
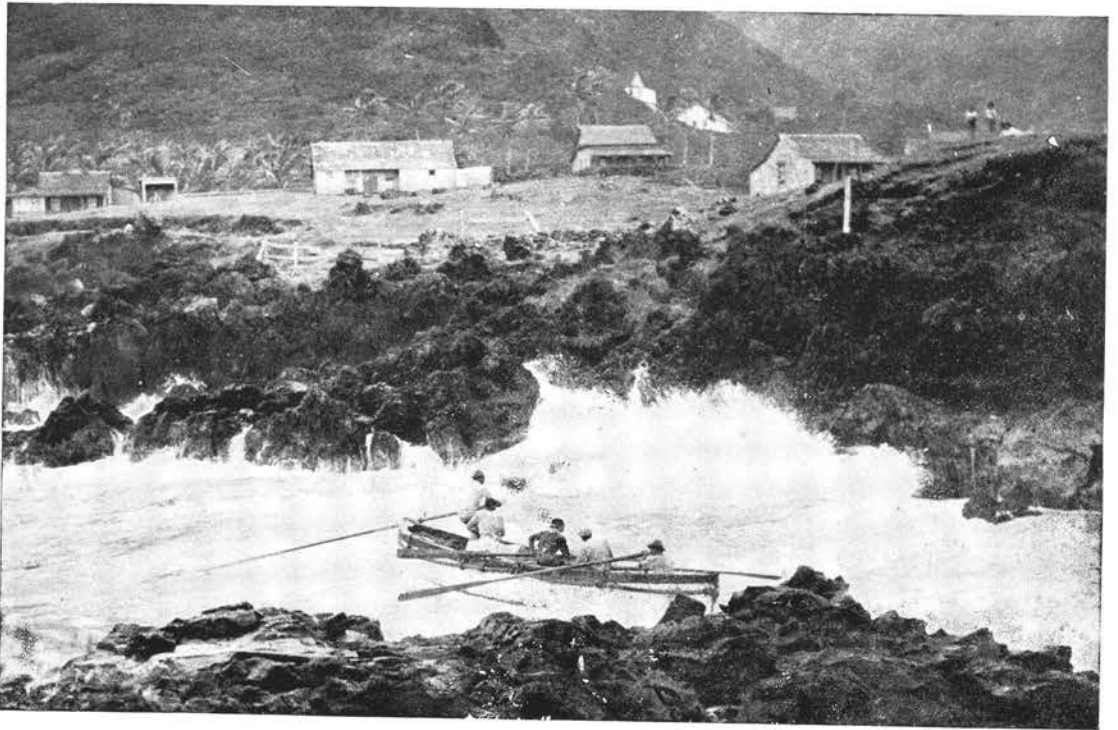
beet sugar producer, and in the river territory we meet the eastern refiner. As to ways and the methods of the brokerage business, I am not qualified to speak, but it has been the invariable practice of the California and Hawaiian Sugar Refining Corporation to adhere absolutely to their published lists. However, it is a well known fact that flagrant abuses and unethical practices have crept into the sugar selling business, and it appears to be the aim of the recently organized Sugar Institute of eastern and other refiners to get away from demoralizing and unfair methods.

I have endeavored to state a few facts about sugar in Hawaii that come into my mind upon reviewing my 45 years contact with the industry, and I sometimes wonder myself how comes the growth from 50,000 to 800,000 tons in that period, and I believe that it is largely due to the foundations that were laid by the men that were a generation ahead of my time. The New England stock that came to Hawaii as missionaries by the Cape Horn route before there was any other route hither taught more than a narrow religion; they taught industry, thrift, and the arts and crafts; on these have been builded the sugar industry of today. Honolulu was a center in the Pacific theater before San Francisco was little more than a Spanish outpost, when our great northwest was unexplored and undeveloped, when Alaska was still Russian territory, and what was once called the great west, that immense country between the Missouri and the Pacific coast was in the making. If you wonder at our Oriental population, stop and recall that our development began during a period when the Atlantic seaboard was our supply base via Cape Horn. Is it therefore strange that we drew our labor supply for agricultural requirements from the comparatively nearby Orient? I hope that you will not take away with you a wrong impression on this score. An imperative need of our industry is agricultural labor, the man with the hoe. We have had no Asiatic immigration since

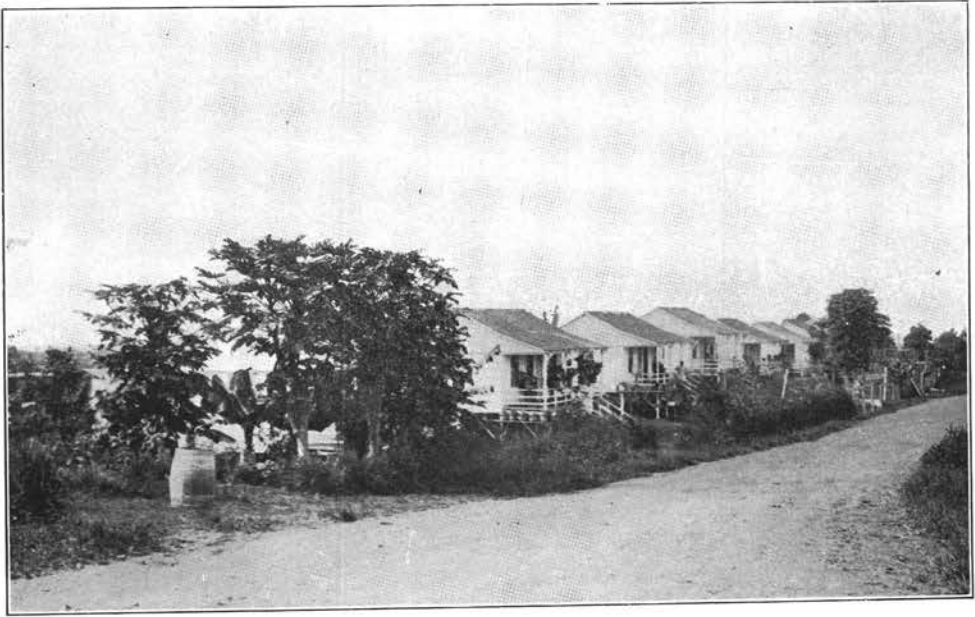
the Roosevelt Gentlemen's Agreement of twenty years ago. The Filipino we do have, and he is at least the ward of the nation, whatever else he may be. We have our petty squabbles, but the races in Hawaii live in peace and harmony, more so than is the case in certain of the states, where the alien and color question is a serious problem. If these flocks of Oriental children that you see in our public schools disturb you, forget it. Our school system is making loyal Americans of them and it is inconceivable that those born and educated here will be anything else. The question of race assimilation of the Occidental and Oriental races is regarded as a serious problem by some authorities, but so far as Hawaii is concerned, my observation is that these young people will take care of this question among themselves, and in a perfectly natural way.

Having dwelt at length on the sugar industry in Hawaii, may I now refer briefly to the general domestic producer situation, by which I mean the industry within the United States, the beet sugar states, Louisiana, and Hawaii collectively, where sugar is produced under United States conditions, restrictions, impositions, and, of course, tariff protection. The beet states, Louisiana, and Hawaii, produce approximately, or should under normal conditions, 2,000,000 tons, while the balance of our requirements come from Cuba, Porto Rico, the Philippines, with a negligible amount of full duty sugars from other countries, our total consumption being around 5,500,000 tons. Porto Rico and the Philippines enjoy free entry of their sugars; Cuba has a differential of 20 per cent off the full duty.

There is no question whatever but that the domestic producer is able to exist only by reason of the protective tariff. Cuba is constantly appealing for more favorable terms, through treaty relations or tariff concessions, and therein lies the fear of the domestic producer. Just here enters an element of the issue that is at present in the limelight of national policy, the issue between the agricultural inter-



At Laupahoehoe, on the Island of Hawaii, is one of the early and most productive sugar cane fields. In this picture may be observed difficulties of landing at this plantation. Sugar is grown for more than a hundred miles along the coast of the big Island of Hawaii, which is one unbroken cane field.



Some of the home buidings that house the plantation laborers in Hawvii.

ests of the west and the manufacturing interests of the east and the near west. The question of greater foreign trade in competition with Europe, particularly with the nations of the Western Hemisphere, is a very important issue. We need foreign trade beyond question, BUT WE MUST NOT ACQUIRE IT AT THE PRICE OF RUIN TO OUR DOMESTIC AGRICULTURAL INDUSTRY IN ANY OF ITS BRANCHES. Agriculture in the United States is having a hard time at present and it must not be made worse by crushing any of its activities, whether it come about through treaties or by way of tariff concessions. I believe that this will appear logical to you men of the western division of the United States Chamber of Commerce.

It is a well known fact that the American Chamber of Commerce of Havana is making efforts through its affiliation with the United States Chamber of Commerce to have Cuba granted more favorable treaty terms, in other words, a wider differential in the tariff on Cuban sugars, for which she offers trade concessions of a reciprocal nature. On the face of it,

this may sound like good business, but again I maintain that any concession to foreign producers that will be at the expense of the domestic agricultural industry is unthinkable, and certainly anything of the kind should not be endorsed by the United States Chamber without the domestic producers being given a full hearing on the subject. Certainly also, any legislation along these lines by Congress will be bitterly opposed by the domestic producer of the United States. Personally, I have an abiding fear that Cuba may be our undoing in this respect. Located as that republic is, so close to the mainland of the United States, so accessible to thousands of our people, and offering trade concessions that are alluring to our manufacturing interests, she is in a strong position to appeal for substantial favors, particularly as there are large investments of American capital in the island. Hence it seems to me that it is highly important to you men of the west that you watch this situation most carefully, lest it may transpire that United States agriculture suffer through concessions made in some other interest,

and to the detriment and serious injury, perhaps extinction, of the United States domestic sugar producer. I have no brief for the damnation of Cuba, but I do contend that the Cubans can set up no case of unfair treatment by the United States. The present differential gives them a monopoly of our sugar trade in competition with other foreign countries. It is not so long ago that Uncle Sam made war for the freedom of Cuba from tyranny. Again we went in and cleaned up Havana at a cost of fifty millions, since when it has been a clean port so far as yellow fever is concerned, and today they enjoy a tariff preference that gives them the advantage in our markets over all other foreign competitors. Uncle Sam has expended much more in Cuba than in his own Territory of Hawaii, if we leave out of the picture the military defenses of this island, which are for the protection of the mainland as much as for us. However, we have no complaint on this score, but we believe that the general domestic sugar producers are entitled to full tariff protection. Otherwise

we must succumb, and in that event Cuba would have a monopoly of the sugar business of the United States, and be in a position to make the consumer pay her price.

Our industry is subject to the conditions and standards of American practice. Our villages of agricultural workers must be equipped for good sanitation and comfortable housing. Our people are furnished with comfortable habitations, medical supervision, educational facilities. In other words, we are on the American system. Cuba's labor is seasonal, the flot-sam and jetsam of the Antilles. Their immigration laws are apparently wide open. The standard of living among their labor class is far below ours, and they have a free hand in many other respects. All of this is their business, and is merely pointed out by way of comparison. I wish them no ill, but I do most earnestly protest that they be granted, in any form, concessions that will imperil the United States sugar producing industry, an important branch of American agriculture.



A typical growth of sugar cane in the Hawaiian Islands.

The Hawaiian Pineapple Industry

By A. L. DEAN

Director of Experiment Station, Association of Hawaiian Pineapple Cannery

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.



Dr. A. L. Dean, Director of Pineapple Experiment Station.

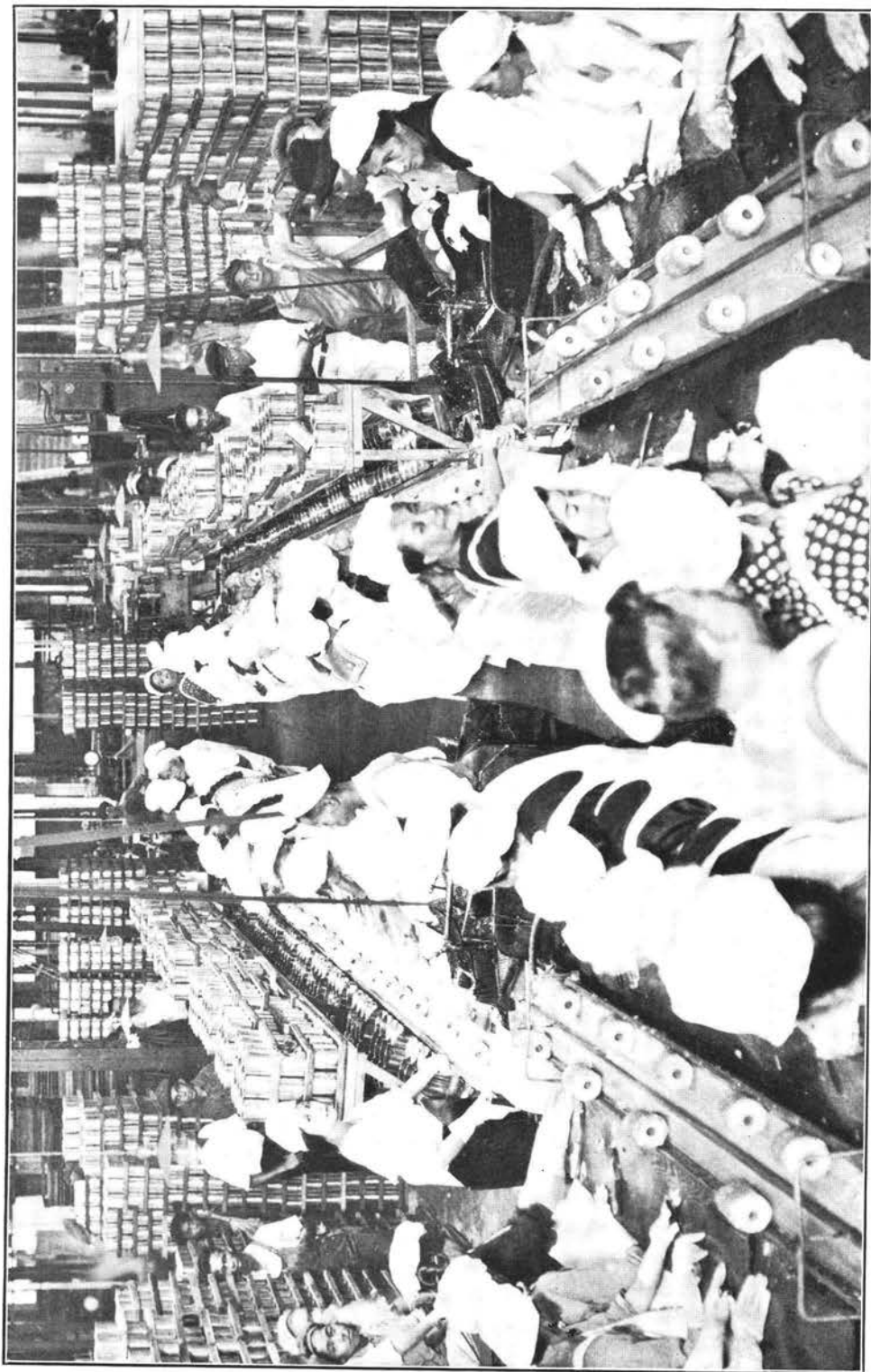
Dr. Dean's paper on Hawaiian Pines should inspire kindred authorities in Queensland, Australia; Malaya, Mexico, and Formosa, to prepare kindred papers for the Second Pan-Pacific Commercial Congress.

I remember seeing an English wartime cartoon picturing an insignificant man before a tribunal which was to decide whether or not his occupation was so necessary as to exempt him from military service. To the question regarding his business, he replied, "Painting spots on rocking horses." Lest anyone entertain the notion that canning pineapples is in the same general category as painting spots on rocking horses, I want to say at once that we know canned pineapple to be a valuable food, filling a worthy place in any diet. To be sure, a good many millions of people have lived and died without eating pineapple, are so living and dying, and will doubtless continue to do so in the future. We hope, however, to reduce the future number. But the same may be said of string beans, automobiles, and operations for appendicitis. At any rate one of the satisfactions of being connected with the pineapple industry is the knowledge that one is concerned with the production of a thoroughly high grade product, of

real utility, prepared under the best of sanitary conditions.

The pineapple is one of the notable gifts of the New World. It appears to have been unknown in the ancient world of Europe, Asia and Africa, but to have spread rapidly throughout the tropics after the discovery of America. Although it does not ordinarily produce seeds and is propagated by setting out vegetative portions of the plants, such as the leafy crowns from the fruits or the slips borne on the fruit stems, these parts are so resistant to drying that they can be kept in the air for months and yet preserve their power to grow. On this account it was easy for the early navigators to spread the pineapple far and wide in spite of the slowness of their craft.

There grew up in Europe an interesting industry in growing pineapples in glass houses. It was a luxury for the nobility and the very wealthy. With the advent of rapid steam navigation this greenhouse culture gradually died out and the European market was supplied



In less than twenty years the pineapple industry in Hawaii has grown from nothing to second place. This is a scene in the Hawaiian Pineapple Canning Company packing room. Hawaii boasts the largest fruit canning factory in the world.

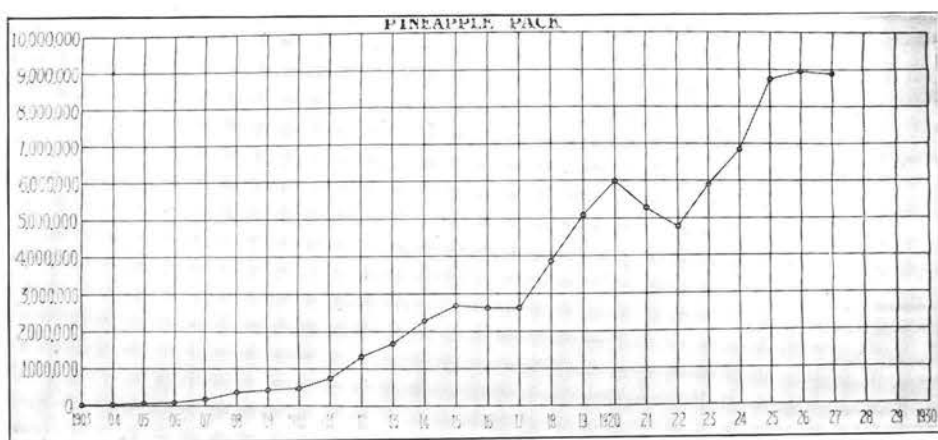


Chart showing the increase in the pine-apple pack in Hawaii.

from the West Indies. The pineapple, however, is not well adapted for a fresh fruit trade since it is decidedly inferior when picked before it is fully ripened on the plant. Once fully ripened it is very difficult to ship. As a result, residents in colder climates never know what a really first class pineapple tastes like.

Pineapples of a sort were brought to Hawaii many years ago, at least as early as 1809. Not until 1885 was any special attention paid to them. At that time a Captain Kidwell, of horticultural proclivities attempted to develop a business in growing pines to be shipped to California. He secured planting material of many varieties for trial. None equalled the Smooth Cayenne and that soon became the standard variety here, in fact the only one cultivated. From Kidwell's endeavors grew the first canning venture in Hawaii in 1892. Matters rather dragged along for several years until the advent of an enthusiastic young Harvard graduate, who thought he saw possibilities in canning pineapples. The graph showing the production of canned pineapple tells its own story. The packs for the ten years preceding 1903 were too small to show on the chart graph.

The industry did not just naturally grow of its own accord. Like any other business achievement it has had its dark

days as well as its bright ones. At one stage in its youth it seems to have been saved by its first venture in the field of national advertising. This advertising has been steadily followed until Hawaiian Canned Pineapple is widely known throughout the United States. One does not need to fear, however, that in purchasing a can of Hawaiian pineapple he is making a major contribution to the advertising media. About one fifth of one cent is the price of the Association advertising on a can of pineapple. Although we keenly realize our dependence on advertising to market our product, our consciences do not bother us any on the score of bleeding the consumer to sell himself our products.

At the present time there are eight companies, operating ten canneries, which belong to the Association of Hawaiian Pineapple Canners. Associated with one of these companies under a cooperative agreement are two other companies which produce the raw fruit, but do not can it. There are, in addition, two small companies packing less than 1 per cent of the Hawaiian output, which do not belong to the Association. Two of the eight companies are branches of large mainland corporations, the California Packing Corporation and Libby, McNeill & Libby, engaged in producing a wide variety of food products.

The cannery operations are on an excellent basis. Ingenious machines have been evolved to solve the particular problems of handling this fruit on a large scale and with great rapidity. A single high speed Ginaca machine will remove the outside shells, take out the good meat left on the inside of the shells, cut off the tops and bottoms, and remove the cores of the fruit at such a rate that less than five minutes are required to the ton of pineapples. A similar mechanical efficiency runs through the whole plant. Special attention has been paid to cleanliness and sanitation. I believe we have reason to be proud of our product. Utilization of what were formerly annoying waste products has made good progress.

By far the greater part of the fruit canned is produced by companies which are doing the canning. One notable exception is the fruit grown by two companies, engaged in other agricultural enterprises, which have a cooperative agreement with one canning company which involves a sharing of profits. A relatively small quantity of fruit is produced by small independent growers who sell their fruit outright to the canners. In short, pineapple growing like cane growing is largely corporation agriculture. This is not the place to enter into a discussion either of the economics or social aspects of this situation. This I can say, however, that I could not conscientiously advise any friend of mine with small resources of capital and land to go into pineapple growing as his major dependence for a living, for the same reason that I would not advise him to carry his own fire insurance. A company with its risks spread over considerable areas can afford to grow a difficult crop; the man with all his eggs in one basket, and that a small one, can not.

The culture of the pineapple is an unusually interesting agricultural development. Here we have a plant, a close relative of the Spanish moss which adorns the trees in Florida and elsewhere, which in its native state grew in the half shade

of the open forest, falling over and rooting and thus spreading over the ground. I fancy that its roots were mostly in the surface layers of leaf mold. At any rate it is equipped with aerial roots and can maintain itself for long periods with scant contact with the soil provided it has moisture and some shade.

We have taken this plant and are growing it in pure stands, eight or nine thousand plants to the acre, for hundreds of acres together. Not content with that we are stimulating it with mulch paper and high grade fertilizers until the mass of vegetation on an acre runs up over 50 tons and some of our field men feel that they are getting a raw deal when a field fails to yield twenty tons of fruit to the acre in a single crop. That is certainly doing tricks with nature, and she sometimes reminds us that she does not always care for tricks.

The fields intended for planting are given a most thorough preparation by repeated plowing and disking until a very deep and mellow seed bed is established. Where the topography allows, the fields are laid out with roads 300 feet apart, thus making the pineapple rows of that length. The lines are marked out and mulching paper, usually a 36 inch asphalt saturated paper, is laid on the ground with the edges covered with soil. The plants are commonly set in a double row through this paper. For planting material one uses the crowns from the tops of the fruits, the slips borne on the fruit stem, or the shoots arising lower down on the main stalk of the plant.

In a few weeks, if there is adequate moisture, the plants start to grow. One great handicap in the earlier years was the failure of pineapples grown on many of our soils which were rich in manganese. It was found that this was due to iron starvation induced by the manganese, in spite of the high percentage of iron in the soil. On the basis of tests made by Mr. Maxwell Johnson, formerly chemist at the Federal Experiment Station, the spraying of the growing plants

with a solution of iron sulphate has been adopted as standard practice on most lands.

The planting is usually done in the early fall and the plants yield their first crop of fruit the second summer following a period of eighteen or twenty months of growth. After fruiting the plant throws out shoots from its main stalk, two of which are usually allowed to remain. Normally each should produce a fruit the following summer. Thus in the plant crop one expects one fruit on each plant and in the ratoon crop, two. If the plants are healthy they should continue to throw out shoots yielding a third crop or even more. The ratoon fruit is smaller than the plant crop and furnishes the material for the smaller sizes of cans, although a part will run large enough for the bigger size.

This all sounds simple enough in this brief telling, but in practice it requires great skill and attention to details. A great deal of money goes into an acre of pineapples before ever a fruit is picked. Four hundred dollars an acre would not be an unusually high figure. If one is to make a profit from his fields he must get second and third crops from a planting. I intimated a while back that nature did not always approve of man-made innovations. She often takes occasion to demonstrate that with pineapple growers. Crop failures due neither to laziness nor niggardliness are all too frequent. We have a plenty to learn yet about growing pineapples, which is one reason why the industry maintains an experiment station.

Pineapple agriculture has been going through an interesting evolution. It is only a few years ago when we thought that we must have virgin land to grow pines. There was a good deal of moving about on to new lands, and taking of lands on short time leases. With the stabilizing of the industry and the realization that we had but a limited area which was well suited for pineapples, there began the evolution of what may be called

permanent pineapple agriculture. One thing is clear, that as far as we now know one cannot cultivate pineapples continuously on a given area as can be done with sugar cane. Some system of resting and rejuvenating the land must be pursued or very serious losses are almost certain to follow. The practices are by no means standardized as yet, but substantial progress is being made in the direction of systems of cultivation which will conserve our natural resources of soil fertility and at the same time give us profitable crops of fruit. We are coming gradually to think in terms of production per acre over a period of years, cropping seasons and resting seasons, rather than merely tons of fruit per crop. The question is becoming not "Where can I get new land?" but "How can I best develop and maintain my lands for permanent production?"

Fortunately there has been practically no competition for lands between our two major industries. In general pineapples seem to do better at rather higher elevations than cane and require much less water. Most of the lands now in pineapples were formerly ranch or even waste lands. Some areas formerly in sugar are now in pines, but that is exceptional. No pineapples are grown under irrigation. Like cane lands, pineapple lands must give a high gross return per acre. With most field crops on the mainland of the United States the gross value of the product per acre is not very great. Twenty-five bushels of wheat or seventy-five of corn, yields well above the average, give but a fraction of the money value per acre of a crop of either cane or pineapples. This is fortunate for us here in Hawaii, since our area of arable land is small.

As things now stand in Hawaii, sugar and pineapples are our two chief sources of income, with pineapples contributing about one half as much as sugar. In the case of sugar there is no competition between the several companies operating here, their product is but a very small

fraction of the world's production and they have no control over the price. The pineapple companies on the other hand, are competitive and their output is unique. It is true that some canned pineapple is produced outside Hawaii, but it is not as yet in the same quality class as the Hawaiian product. Hawaiian canned pineapple does, however, belong in the large group of canned fruits and the high grade temperate zone canned fruits, peaches, pears, apricots, cherries and the like, are in the same quality class and the same price range. We are not quite as free of the world's market and its price levels as might at first sight be supposed.

In invading the canned fruit field we

have, perhaps, not been regarded as an unmixed blessing by some of our neighbors on the Pacific Coast. If the output of canned peaches, for example, looked something like our production curve turned upside down I'll admit that our Coast friends might have some cause for tears. As a matter of fact I note that the California pack of canned peaches jumped in the ten years from 1916 to 1926 from 3,800,000 cases to 14,400,000 cases, while our pack of canned pineapples was growing from 2,600,000 to 8,940,000. In other words, while the pineapple industry was growing 244 per cent, the California canned peach industry grew 280 per cent.



A typical pineapple field in Hawaii.

Construction and the West

By ARTHUR S. BENT

President, Bent Brothers, Inc., Los Angeles, California

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

Construction divides itself into four branches, highways, buildings, public works, and railways. In the United States in the year just closed, it amounted to over seven billions of dollars. Year by year construction produces 30 per cent of the Nation's wealth and of our national savings, (that net balance which measures actual progress) it represents 60 per cent. It employs 22 per cent of the labor of this country and expends twenty million dollars a day or thirty-five thousand dollars a minute. It is a key industry, upon which all others are more or less dependent. To illustrate—the U. S. Department of Commerce indicates a surprisingly close relation between construction and automobiles. Statistics show that every new car requires its share of new highways, bridges, factories, garages, wayside hotels, supply shops, filling stations, etc. And these demands in turn call for the use by constructors of more trucks and passenger cars. Construction, particularly in 1927, has been the great stabilizing influence in American business. Our national income is about ninety billions of dollars. Of this a full quarter is produced by the three leading industries, Agriculture first with twelve billion, Construction next with seven billion, Automobile production next with four and one-half billion. In view of their far reaching demands on thousands of other industries, we cannot conceive of general prosperity, if these three were in serious depression. Yet 1927 saw two of them measurably depressed, while general prosperity has been fairly maintained. Credit for this must be given to Construction, which has re-

mained stable. Secretary Hoover writes in the "Builder Economist," "the new construction of 1927 constituted a powerful factor in maintaining general business activity and prosperity."

Obviously construction's relation to the new and rapidly expanding West is of tremendous significance and may well be called (again quoting Mr. Hoover) "the barometer of prosperity." And so, a glance at the part construction has taken in our development should prove interesting and significant.

The movement of population is of course directly related to construction activity, and the population of the Western States more than doubled between 1900 and 1920 as against an increase of less than 40 per cent for the United States. Since 1920 the rate of growth "has been greater than during any previous period and the total population of the eleven states is now estimated at 12 million. The number of dwellings has increased in the same period from 875,000 to 2,832,000, or nearly 224 per cent.

Ninety-eight cities representing all of the Western States show an average for the last six years of 500 millions per year of new buildings.

The statistics on farm buildings are particularly interesting. In 1900 there were 243,000 farms in the West and their buildings amounted to \$167,522,000 or an average value of \$689 per farm. Twenty-five years later the number of farms had increased to 499,000—a little more than double, but the value of their buildings had gone to \$952,000,000, or an average value of \$1,906 per farm—almost three times the value of buildings in 1900, which shows the constant

trend toward better farm improvements.

Using round figures, the Hoover report shows construction for 1927 as \$6,800,000,000. The Engineering News-Record, January 19, 1928, gives engineering construction for 1927 as \$3,254,000,000. Engineering Construction which means bridges, flood control, highways, irrigation, railways, dams, power plants, reclamation, etc., is especially indicative of fundamental development. Such enterprises forerun buildings, and are the structure upon which civilization rises. The West with 10 per cent of the country's population built last year almost 11½ per cent of the total of engineering works, or 371 millions. We are laying broad foundations here for a great future.

Taking the actual construction of highways for two separate years 1904 and 1921 to show the ratio of growth, we find the different states standing as follows:

	Spent in 1904	Spent in 1921
Nevada	\$47,000	\$ 2,100,000
Montana	309,000	10,380,000
Wyoming	74,000	4,725,000
New Mexico..	35,000	4,259,000
Utah	158,000	5,175,000
Idaho	202,000	11,800,000
Arizona	68,000	10,648,000
Colorado	635,000	9,049,000
Oregon	650,000	27,970,000
Washington	1,345,000	24,240,000
California	2,157,000	41,823,000

This is an average increase of 2580 per cent for the 11 states.

California's total mileage of paved roads is now 6,600 costing 75 millions, and she will in the next 10 years spend 125 millions more.

Reclamation projects furnish a striking evidence of our development.

Idaho has under way 32 millions of reclamation which will cover 600,000 acres of farming land.

Montana is spending 2 million this year.

Wyoming in 1925-6 spent 20 millions covering 600,000 acres.

Oregon has spent 10 million on four projects and a fifth now under way will cost 20 millions and benefit 170,000 acres.

Nevada has spent 8½ millions to date and reclaimed 250,000 acres.

California has spent on reclamation and flood control 85 million. The enormous total of irrigation investment in the Western States in 1920 was 730 millions beside 125 millions spent by the Government in reclamation project.

Electric light and power construction, another important barometer of progress, has kept abreast with the general program.

Montana leads the mountain states of the West with an investment of nearly 86 millions, up to 1922 and a potential horsepower of about 5 millions.

Oregon has invested 18 million dollars in the last two years and furnished electricity to thousands of farmers.

The Idaho Power Company has now a total K V A capacity of 85,870 and last year completed interconnections which resulted in a unity system reaching from La Grande, Oregon on the West across the entire State of Idaho, to coal fields in Utah.

Utah follows Montana with 63 millions for the same period, 1922, and the total at that time for the eight mountain states was 280 millions of dollars.

California and Oregon and Washington brought this up to a grand total of almost one billion, California leading with 506 millions.

In the five years since this report, electric development has been increased by the vast sum of 674 millions, bringing the total well over one and a half billions.

Railways, another product of construction, totalled in 1925, 42 million miles with a value in 1922 of over 3 billions—beside ½ billion in street railways at that time.

Mining Industry in the Western States

By TYSON S. DINES, SR.

Of Dines, Dines & Holme, Denver, Colorado

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

Advance papers on Mines and Mining from each Pacific region should be contributed for the edification of the delegates to the Second Pan-Pacific Commercial Congress and Mr. Dines' paper is submitted as a model.

We are living in an age of tense activity. The brains that a few years ago were devoted to discovery of new means of taking life are now intensively studying the importance of preserving and prolonging it. The forces that were then cooperating to destroy civilization are now devoted to problems of advancing it. Science is throwing new searchlights upon obscure and hidden things. The superstructure of civilization is becoming so complex that contemplation of its aerial adornments may lead us away from its foundation stones. The luxuries of yesterday have become the necessities of today. The problems of production increase as population and consumption increase. If production does not keep pace with the ever increasing demands of consumption, retrogression necessarily takes the place of progress. Our own country in achieving leadership has assumed new responsibility and undertaken new duties in world affairs. Our pride in our national achievements, however, must not lead us to so dazzle our eyes in contemplation of our own greatness as to make us blind to the foundations upon which that greatness rests. It is with the hope that the message I bring to you today may lead to such concerted action by our people of this western country that Washington will listen and take heed to a timely warning.

The world has used more metals in the twenty-seven years of the present century than it has used in all the cen-



Tyson S. Dines, Vice-President of the Denver Chamber of Commerce.

turies remaining of recorded history. This consumption is rapidly increasing with increase of population and with the rapidly multiplying demands of our complex civilization. We are living in an age of metal power tense with inventive science and research. The value of the products of our mines in 1870 was but little more than 200 million dollars. Gradually this advanced to 400 millions in 1881; to 600 millions in 1890; to one billion in 1900; to two billions in 1912; to more than three billion five hundred millions in 1918; to five billion six hundred ninety-six millions in 1925; to six and one-quarter billions in 1927. It has



Throughout the West and Northwest of the United States are many rich mining areas. These are still being developed and the rich ores of the great Western country smelted and prepared for use by the industrial world.

become a vital part of our national life. Without the contribution of our mines to raw material, this nation could not go on for a week. Mining ranks only second to agriculture in these contributions of raw material to our industrial life. It is estimated to provide direct support to ten millions of our people and to give employment to two millions more as workers. It furnishes the raw materials upon which the basis of our civilization rests. When these raw materials from our mines become manufactured products, they have a wholesale value of more than fifteen billions of dollars. In their process of manufacture from raw materials to commercial commodities, they give employment to two millions more of co-workers and support ten millions more of our people. A large portion of these manufactured products again after wholesaling pass through the hands of retailers to the consumer and their value, at the end of sale and delivery, has reached the stupendous sum of more than twenty billions of dollars. The retailing process ending in sale and delivery involves the support of many more millions of our people. We will never get back to the discomforts and denials of the non-metal age; and yet it must be recognized that the raw materials produced by the mining industry are never replaced. Unlike the products of agriculture, they are not annually, or at any time, renewed. To satisfy these ever increasing demands, new deposits must be discovered. Those accustomed to using these mining products seldom have time or inclination to think over the ever increasing demands and the diminishing supplies. Had it not been for the industry and research of the engineering profession and the geologists we would have long since felt the pinch of higher prices in metal products. Scientific research has lessened waste, applied better and better methods of production and now a new science is being developed and attracting the attention of the world known as "geophysical prospecting."

Crude methods of treatment have been

superseded by scientific methods. Flotation in its different forms has added to the percentages of recovery in some classes of minerals and has been proven to be a failure in others. Deposits that yielded no profits a few years ago have shown good results under these new methods. Five per cent copper ores a short time ago yielded small profit and today 2 per cent copper ores can be produced and treated profitably. It has been said that there exist in the earth one thousand times as many tons of 2 per cent copper as there are of 5 per cent copper, but 2 per cent copper, like the 5 per cent copper, is never replaced after having been mined. The problems of mining and metallurgy need the constant study of men of vision and scientific attainments. Great outcrops that paid from the grass roots are no longer plentiful. They were the first to be exploited—the first to be exhausted. Our Geological Survey and Mining Bureau, composed of capable and scientific men, have been of great assistance to this great basic industry. Canada and Sweden are both far ahead of this country in geophysical prospecting. The governments of those countries have aided the mining industry in the study and adaptation of geophysical prospecting for ores. The scientific men who compose our Geological Survey and Mining Bureau are perfectly capable of using suitable geophysical prospecting methods to go along with our geologizing methods, but Congress has been niggardly in the appropriations for their use, and until large increase of appropriations are secured, it is impossible for them to advise which of the geophysical methods may be best adapted to different mining fields or to use them in connection with their geological data for the purpose of determining existence of mineral in the ground. The greatest known silver deposit of the world is in a vein which did not outcrop and whose apex at the nearest point was fifty feet from the surface of the ground. Geophysical tests would doubtless have determined its presence. Geology could not

and its discovery was made by accident in driving another tunnel for air. Geologizing and geophysics are becoming more and more helpful to each other; but they both require diligent study by scientific men, and both are expensive and beyond the reach of the ordinary prospector. Our Mining Bureau has been given no money enabling its eminent members to investigate the new science of geophysical prospecting. The agriculturist by farm bloc and his threats hurled at the politicians has secured his departmental appropriation, while the Geological Survey and Mining Bureau have had little support or attention. In 1924 the appropriations for the Agricultural Department were \$69,536,653. The Mining Bureau for the same year were \$3,264,700.

	Agriculture	Mining
In 1925.....	\$ 58,575,274	\$3,545,191
In 1926.....	124,774,441	3,937,340
In 1927.....	127,924,573	3,534,260
In 1928.....	128,511,739	4,720,950

A comparison of the relative importance of these two basic industries is shown by the following:

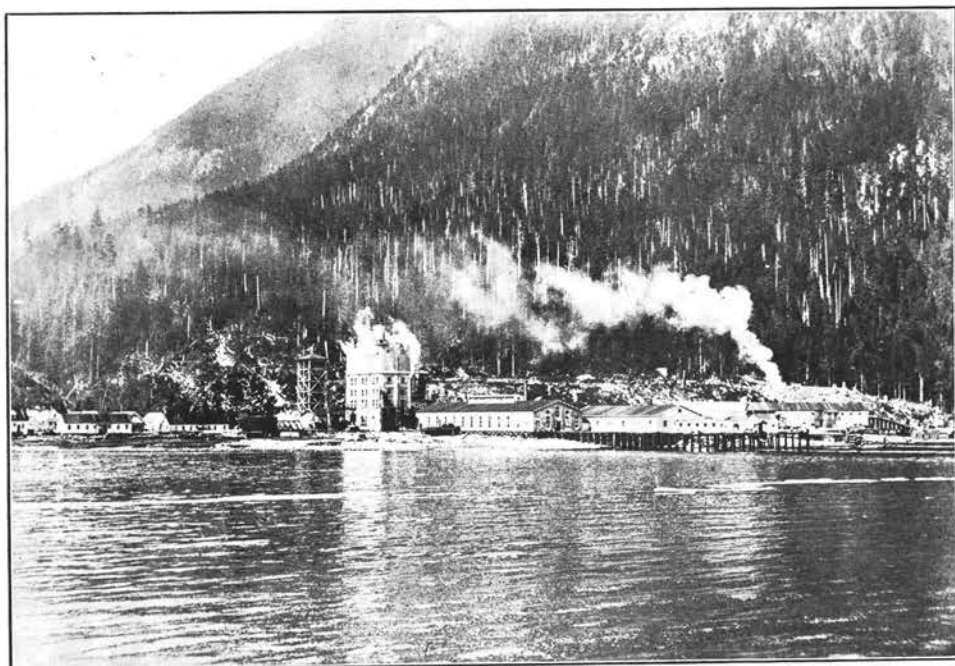
Agriculture in 1921 produced \$9,992,000,000. In the same year, mining \$4,139,000,000.

	Agriculture	Mining
In 1922.....	\$11,244,000,000	\$4,647,000,000
In 1923.....	12,344,000,000	5,987,000,000
In 1924.....	12,221,000,000	5,306,000,000
In 1925.....	13,032,000,000	5,696,000,000
In 1926.....	12,884,000,000	6,000,000,000

It seems that these statistics should be sufficient to convince every citizen in this country of the fact that mining has not received the consideration to which its importance entitles it. We are making an attack on no other basic industry. We recognize the fact that agriculture, mining and manufacture are the three great basic industries upon whose granite foundations the superstructure of our success, wealth and civilization rests. With the exhaustion of the surface deposits that have supplied our country with raw materials, it is manifest, unless we are to retrograde, that every facility

which brain and science and capital can bring to bear should be brought into play for the discovery and exploitation of the great mineral deposits which do not appear at the surface. We find the Canadian government to the north of us arranging to spend many millions of dollars to aid the exploitation of the great mineral deposits of the Hudson Bay country. We find Sweden taking an advanced position in the use of geophysical method—the electric method—in discovering the hidden riches of Sweden. We find in our own country, naturally endowed with rich and varied mineral deposits, taking no steps, so far as the governmental bureaus are concerned, in bringing to light new mineral fields by using geophysical methods in connection with geological data. It is not to be supposed that geophysical prospecting can be developed to its greatest use by private capital. It is as much a governmental function for scientific determination as to which is best of a half dozen or more geophysical methods for the development of our various supposed mineral fields as it is for the Agricultural Department to study the renewal of the strength of the soils and the adaptability of different soils to different agricultural products. It is plain that the appropriations of the government to the mineral field should be passed upon by competent scientific mining engineers or geologists. They now seem to be passed upon by those who neither have the experience nor the ability to decide concerning them.

It is time for the people of the west—agriculturists, manufacturers and mining men—to stand together and insist on being heard as to the necessity of greater appropriations for the study and the solution of the great problems of mineral prospecting, mineral development and mineral treatment. Until they do this, we cannot expect this great basic industry which so largely contributed to our wealth and prosperity to expand sufficiently to take care of the needs of this or the next generation of our people.



A forest in the Northwest being turned into wood pulp.

Lumber Industry of the Pacific Northwest

By EVERETT G. GRIGGS,

President, St. Paul & Tacoma Lumber Co.

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

From the delegates assigned by Russia, Siam, Indo-China, the Philippines, New Zealand, Australia and Canada papers on the potential lumber supplies of these countries might well be prepared for the second Pan-Pacific Commercial Conference.

The subject assigned to me for this conference is Lumber. Were it not for the 8 or 10 per cent moisture content that we discuss occasionally in this subject, I know of nothing more dry. It has, however, this characteristic—the trees grow in my country and the lumber is consumed in this and other countries. It is, therefore, responsible for trade activities and business connection.

As far back as I can remember, we have been shipping cargoes to the Hawaiian Islands, and it is interesting to note the development of that business.

Year	Feet Board Measure
1903.....	22,571,671
1904.....	15,441,620
1905.....	23,572,706
1906.....	27,871,676



The great lumber logs as they float down the rivers to Portland, Oregon, and to the Puget Sound cities. The lumber of the Northwest sawed into planks as it arrives at Los Angeles and southern California to be distributed.

Year	Feet Board Measure
1907.....	23,896,061
1908.....	26,954,324
1909.....	42,607,925
1910.....	59,193,279
1911.....	51,068,565
1912.....	67,345,907
1913.....	54,447,051
1914.....	36,297,211
1915.....	50,687,721
1916.....	52,460,872
1917.....	58,504,237
1918.....	38,139,873
1919.....	53,207,472
1920.....	59,690,547
1921.....	56,618,294
1922.....	66,320,545
1923.....	65,178,280
1924.....	68,971,533
1925.....	76,379,512
1926.....	67,031,053

While our shipments have steadily increased due to your growth and expansion, it may be of interest to note the vast extent of our supply and its general distribution. Major David T. Mason, of the firm of Mason and Stevens, Portland, Oregon, has compiled figures and data concerning the lumber industry of the United States and argument for sustained yield, and I am pleased to quote him as follows:

"After adjustments have been made to allow for cutting, for losses and for growth, it is estimated that as of January 1, 1927, there remained a total of 1,349,000,000,000 feet, of which 1,082,000,000,000 feet are in western United States (in Rocky Mountain and Pacific Coast states) and 267,000,000,000 feet are in eastern United States (all other states).

"If net annual depletion continued at an average rate of 37,000,000,000 feet, and if our existing supply is correctly estimated at 1,349,000,000,000 feet, then in about thirty-seven years our softwood saw-timber will be completely exhausted. And this depletion will include not only the softwood now of sawtimber size, but also all that grows to that size in the next thirty-seven years.

"In 1925, a recent representative year, the United States exported a total of 2,669,000,000 feet of timber, lumber, logs, etc.; of this about 90 per cent, or about 2,400,000,000 feet, was softwood. The total exports were distributed to Japan 34 per cent, to United Kingdom 14 per cent, to Australia 9 per cent, to Argentine 8.6 per cent, to Cuba 5.6 per cent, to China 5 per cent, to Canada 5 per cent, to Mexico 4.4 per cent, to other countries, including the islands, 24.4 per cent.

"It is estimated that the three Pacific Coast states had on January 1, 1927, a total of 872,000,000,000 feet. In 1926 the cut of lumber was 14,200,000,000 feet; it is estimated that cut for other purposes adds 1,500,000,000 feet, and that destruction adds 3,250,000,000 feet; growth is estimated at 1,250,000,000 feet. Thus the present net depletion would be at the rate of about 17,700,000,000 feet yearly.

"For the forty years ending with 1966, assume no change in the total annual cut, a decreased destruction of 25,000,000, and an increased growth of 350,000,000 yearly. This gives an average net annual depletion of 17,600,000,000 feet, and leaves at the end 55,000,000,000 feet.

"The remaining quantity is enough at the rate of 17,600,000,000 feet net annual depletion to run on for about three years. Then there would be exhausted not only the 872,000,000,000 feet to start with, but also all that had reached sawtimber size in the forty-three years from the end of 1926 to the end of 1969. Then the industry would be through until more timber grew to usable size."

We are now discussing a resource that

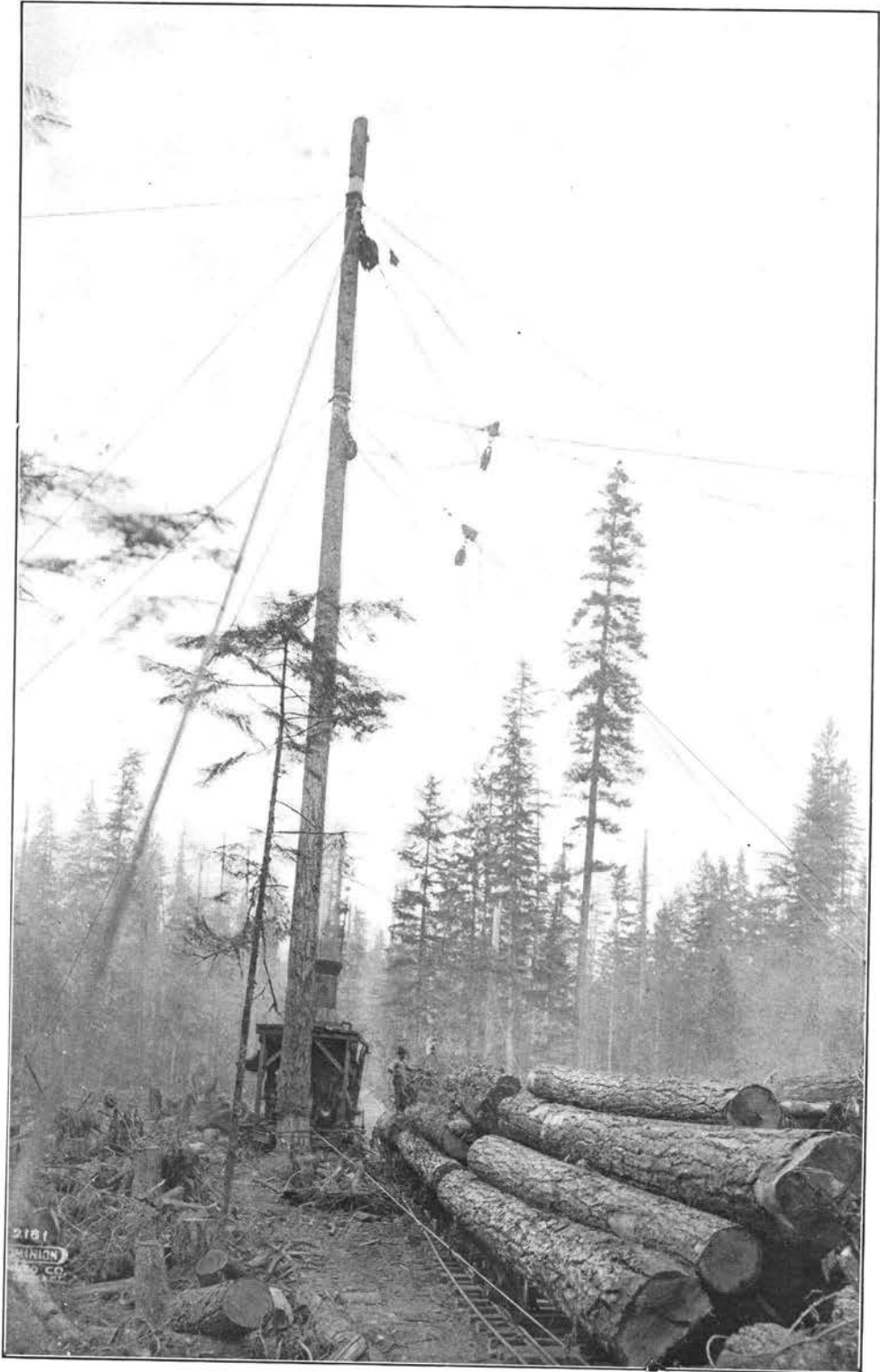
is being depleted rapidly, but it is all above ground, can be measured and counted, is growing on a certain definite and determinable rate annually and is still so vast in volume that we do not appreciate the need of reforestation or control of production. I say we, but I mean our country at large.

Recently at Chicago, this Chamber through its Natural Resources Production Department held a very interesting session of 300 delegates, consisting of lumbermen, timber owners, foresters, pulp and paper men and government officials and representatives, with the object in view of discussing reforestation, taxation, and utilization of our vast resources in timber.

It was disclosed in this conference that an ownership representing 21,000,000 acres was now practicing reforestation and several states had already passed good laws for protection from fire and to encourage regrowth in cutover lands, but to legislate for a product of the soil that will not come into value for three generations of business life requires more foresight than most of our legislators are capable of. The conclusions and recommendations adopted by this Commercial Forestry Conference are so timely and pertinent that I am quoting them:

"This conference is convinced that it is fundamental to national welfare to produce a continuously ample supply of wood upon the 470,000,000 acres of land that will be idle if not kept in forest. The business of growing timber on one-fourth of the nation's land area is on a par with agriculture as the foundation of American economic and social structure.

"We are glad to report that despite adverse conditions, unparalleled in any other progressive country, an amazing advance in forestry has been made in the United States within the last 25 years and especially within the last 10 years. A majority of the owners of extensive forest lands of the West, a large percentage of those of the South and many other regions maintain ownership of their cut-over lands, despite heavy taxes on



A typical scene in the lumber country of the Northwest of the United States where temporary railway tracks are laid down and the great forests brought to tidewater for shipment to the world.

them and protect them from fire. This is an essential part of reforestation. We find, moreover, that some 200 corporations owning an aggregate area of 21,000,000 acres—nearly equal to the whole of the forests of France—have reported the adoption of forest management policies. But from all sides come reports of a discouraging struggle against conditions, which can be rectified only by public cooperation, through full recognition of individual and collective public responsibility.

"To continue reforestation, to expand it to meet national and community requirements, the following measures are necessary:

1. Adequate public protection against forest fires.
2. Equitable and stable taxation.
3. Full technical and economic information through research.
4. Complete recognition by the people of state and federal responsibility.

"Forest owners recognize the national necessity of continuous productivity of their lands when economically feasible. The growing of trees must be upon a business basis or it cannot be pursued. It is evident from the start already made that enlightened public policy will stimulate the general adoption of reforestation to maintain continuous production of wood on the nation's forest lands.

"We recommend:

"That the Clarke-McNary national forestry act be effectuated by immediate provisions by Congress of the full amount of the annual appropriations it authorized, thus extending systematic fire protection and its other benefits throughout the country.

"That our land taxation system be thoroughly investigated and equitably revised to the end that local public revenues shall be protected; and, at the same time, the vital public economic interest of thousands of communities in the continued productivity of vast acres of land shall be safeguarded.

"That comprehended forestry research, shall be authorized and vigorously supported by Congress, so that reforestation may be more intelligently directed.

"That state and federal forest agencies whose cooperation we appreciatively recognize, shall have their hands strengthened.

"That, recognizing their responsibility, forest land owners assume as a civic duty the leadership in this national business enterprise already well begun."

In the States of Washington and Oregon, timber holdings are classed as follows:

	Fed. Reserve M. Bd. Ft	State Owned M. Bd. Ft.
Washington ..	86,250,000	22,700,000
Oregon	187,100,000	600,000
Total	273,350,000	23,300,000
	Private M. Bd. Ft	Total M. Bd. Ft.
Washington ..	173,000,000	282,250,000
Oregon	208,100,000	395,800,000
Total	381,400,000	678,050,000

Unless the State and Federal holdings, which are free from taxes, are so handled that they encourage the holding of timber, there will be no remunerative price for trees until they are all cut off. It benefits no one to cut trees that are 500 to 1,000 years old, and leave 40 per cent on the ground. Trees, as I have often said, are like old men—they die and wither. They should be utilized as needed, not wasted. The old days we recall when buffaloes came in vast herds and were slain for their horns alone—the carcass left to rot on the ground—may have been the pioneer spirit that settled the plains, but it applies to our business as well.

We cut, burn and slash our timber to make room for homes and farms and cities. Timber for years was considered a menace to civilization, an obstacle to be removed. As we come to the Pacific Coast and encounter our last great stand of timber, we begin to appreciate that

here is the best place in our country to grow timber and laws must be made to encourage it. Fires and taxation will destroy more timber than the axe. There is no other natural resource, excepting coal, that seems to run riot on production like the lumber business. No organization has yet been perfected to market the product. I do not think the lumbermen are to blame for the situation. For years it was deemed bad form to check over prices or even discuss them.

Ten years ago we on the West Coast who were operating mills presumably for profit organized under the Webb-Pomerene law the Douglas Fir Exploitation and Export Company. It has operated successfully for ten years and will continue, but it does not control the trade though it includes in its membership nearly 80 per cent of the capacity. There are too many selfish interests outside too anxious to hog the business to control the production. While this company is strictly an export selling agency, we were compelled to prove our case in court at a cost of approximately \$100,000.

It has not been three years since government representatives investigated our leading mills and some of our associations to determine whether they were in effect combinations in restraint of trade. There is a government function, regulatory in power, which must be exercised in trade, but unless our industries can control their production in somewhere near the consumptive demand, the latent resources of our country will continue to be wasted.

Mergers, sales organizations and consolidated plants are being considered. We exercise every known device to control our product, but today the man who is making money out of the business is only one, namely, the man who has not a dollar invested in the timber or mills.

He buys and sells on commission and has little to lose.

Freights alone are a big factor in our delivered prices and subject to wide fluctuation. Controlled by world-wide conditions, they form a speculative part in futures, but it is the effort of our most advanced lumbermen to maintain a stable price on their commodity at the mill. This insures a more satisfied customer and protects the trade.

We are now developing in the West a number of pulp and paper mills which will utilize a large portion of our waste product, particularly in Hemlock and Spruce. These plants require large investments of capital and resources of timber. The fact that they are locating in the West indicates a changed condition and the research work that is being carried on by these companies will find further use for our waste product—full use of the tree.

There have been so many recent scandals in Washington that I am more than ever convinced we want less Government in business. The Merchant Marine is an example in kind. We have inherited since the war some large problems and it will require the united efforts of Congress and the business men of the country to properly solve them. We should clean our own house in a business way, and the less interference we have from bureaus and commissions, the better for all. On the other hand, we can do little toward permanent and lasting reforestation without Government and State aid.

We have the soil and the territory to establish a perpetual supply of timber. We must not fail to take advantage of it. Wood, the greatest friend of all mankind, forming his cradle at birth and his coffin at death, but through all his life a living factor in the construction of a home.

Hydro-Electric Resources in the Western States

By LAFAYETTE HANCHETT

President, Utah Power & Light Co.,
Salt Lake City, Utah

At Fifth Western Division Meeting,
Chamber of Commerce of U. S. A.



*Lafayette Hanchett, Director United
States Chamber of Commerce.*

(New Zealand, Canada and Japan might well contribute papers on this subject.)

At the West Baden meeting of the Chamber of Commerce of the United States, President Pierson said: "As citizens, we cannot permit American government to be buried under a multiplicity of bureaus, and an avalanche of taxation; if government finds that it can enter one business, without resistance, how long will it be before it extends its operations to all business. And when government has wormed its way into the whole spread of American trade, the heart will be gone from American business.

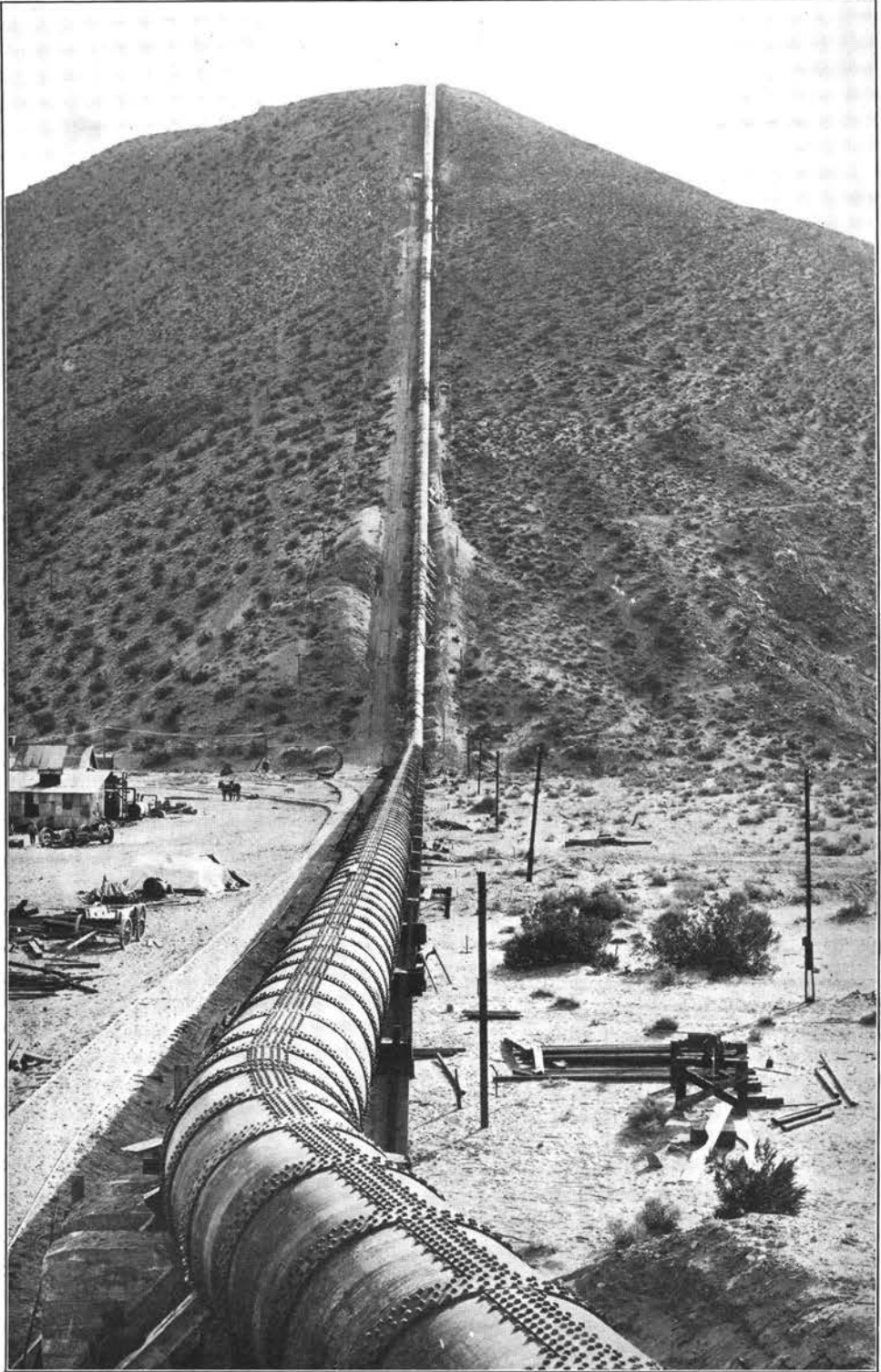
Government development of hydro-electric resources has been undertaken in our western states, and we may properly enquire about the public interest in the electrical industry under both governmental and private control. What has private ownership to say about its performance in the eleven western states? In the first place, without the very recent and tremendous development of the power industry under private sources, the new regimen of high wages, mass production and mass consumption would be but an unrealized dream, fantastic to a degree.

There appears to exist in a small but

loudly active group among politically minded men a sort of desire to embarrass the prosperous and constructive element, and to easily assume, as a fundamental fact, that a large growth in a public service corporation can only come from a source detrimental to the best public interest, hence they select the power industry as the ideal one for their attack.

Why do they overlook the coal industry?

Is it not true that more people make a direct use of coal than of electric energy? Coal is not a picturesque business; to dig and deliver a ton of coal means actual labor easily comprehended by the dullest brain, while a very different picture arises over the harnessing of falling water, and deriving from it electric energy to be sent instantly over silent wires to distant places, for distribution to the public. Such accomplishment seems to the group mentioned an ideal process of making something from nothing and to be so simple as to deserve little or no reward for the producer. Therefore, based upon such a false premise, and allured by the popularity of class clamor, they move naturally toward the arousal of public interest in the production and sale of electric energy under the government ownership plan, wherever a stream



When cities such as Los Angeles will bring their water supply by an immense siphon from a distance of 250 miles across a desert, the possibilities of what hydro-electric power may be made to accomplish in western America may well seem almost beyond belief.

fall appears contiguous to their particular field of political operation. Whenever these operators discuss the business of electric power, they seem disposed toward rather fantastic statements—a fine example of such assertions appeared in a recent number of *Nation's Business* quoting from a speech made by a United States senator, who said: "If the people of the United States had paid in 1926 the same price for electric service charged by the publicly owned system in Ontario, they would have saved on their electric bills more than \$600,000,000."

As the total gross revenues from residence service in the United States was but approximately \$500,000,000, it becomes charitable to say that the distinguished Senator was confused in his calculations. Public ownership is founded upon a paternalistic or bureaucratic idea, and in our form of government, it becomes a real menace. Taking initiative and individual incentive out of a job is the inevitable result of Government ownership and control and the resultant service becomes routine—a lifeless and costly operation to be paid for by the taxpayers. It is individual reward for individual effort that has made this great electrical industry what it is today, and *not* bureaucratic government control. Government ownerships are but experiments with the people's money, obtained from political borrowings which are never limited to the essential necessities, but rest upon the capacity of the people to endure.

Private business builds upon its supply of energy, and to secure that resource, has long since discovered from experience that it must look to personal undertakings, rather than governmental ones, for reliable electrical energy service.

Promotions of governmental power projects must depend upon the process of taxation to produce the necessary funds for system construction. Taxation has reached a burdensome degree in the United States; there is coming from the people a more determined resistance to projects that mean tax increase, and there

is an insistent demand for tax reduction; and yet, in defiance of all this, we find advocates of government-owned plants very full of urge to increase the taxpayer's burden by fresh experiments in the power business. The majority of men in Government service, believe that the function of government goes far when it undertakes operations in the field of private endeavor, and therefore a microscopic examination of such proposals usually reveals a man, or a small group of men, ambitious of increasing their bureaucratic power and prestige. To them, the imposition of an additional tax upon the people, means little; they well understand the indifference of taxpayers, at the time of bond elections.

Ten years have passed since the great war ended, and the premier government-owned power project, the Muscle Shoals, representing an investment of nearly \$56,000,000 of the taxpayers money, has been floundering along, under control of 530 Congressional managers, without developing a leadership within their number able to formulate and declare a definite policy for this monumental power project.

Under Congressional management this plant has achieved a gross earning of \$1,070,000 annually—scarcely two per cent upon the investment, before cost of operation is deducted, and of course, depreciation and obsolescence receive no consideration. Yet in the face of such a woeful exhibit, comes now a group of Los Angeles citizens clamoring for a larger and more costly power plant installation at Boulder Dam, to be made at the expense of the taxpayers of the United States.

What promise have they to offer the people, as to better management at Boulder Dam, than has been achieved at Muscle Shoals? At Muscle Shoals, millions have been expended in installing apparatus far in excess of the capacity of the stream flow—indifference to plant cost is apparent in many directions,—and this great plant under Congressional management earns no fair return upon its outlay.

Would shareholders in so large a privately owned power project be content with a management that required ten years' time in which to determine a policy of operation?

No amount of reference to sporadic accomplishment of municipal plants, and glib quotation of the performance of the Ontario Government project, can quite offset the record made at Muscle Shoals. The promoters of municipal power projects must rely upon favorably voted bond issues, and are often successful with their schemes, at the bond elections because of the failure of the taxpayers to return a full vote.

Funds so obtained, are restricted by law to conditions of use, and such limitations, so necessary to the protection of the public, very naturally build up obstacles which work against the growth of communities seeking new industries;—they are hard and inelastic, but they have accomplished the real purpose of the municipal promoter, in providing for, and securing to some group of leaders, comfortable bureaucratic positions.

Once so intrenched, initiative remains undeveloped, harnessed by limitations of law; there is little incentive; and finally the town or city involved discovers that a very definite boundary has been imposed upon their growth, unless some private power enterprise enters their field with the needed additional supply of energy. In twenty years the wealth of this Nation has increased from 30 to 300 billions, and in the same period we have gone from one-half horse-power per worker to over four horse-power. There is a most significant relation between these figures that might well arrest the attention of communities in which municipal power service is urged—an increase of ten times in national wealth is accompanied by an increase of eight times in horse-power made available to each worker; consequently it follows that a limitation of power supply forms a definite barrier to growth.

The history of the electric power industry reveals the necessity for provid-

ing for growth of production facilities at a rate approaching 10 per cent annually; every privately owned power company well understands this and prepares for it in its capital structure; but such a provision is impossible under the controlling conditions of governmental financing, always hard frozen by limitations of the law.

Considering only the task of obtaining the capital necessary to provide a sufficient and efficient power supply to the residents of the eleven western states, can you visualize the difficulties, the delays, the defeats, and the lack of political harmony which would have been encountered in the campaign of providing this service, and which today stands so well accomplished by the seventeen leading power corporations operating in this territory, *if its production had been a governmental one?* These seventeen companies now serve 1,728,000 customers—they have built 219 great hydro-electric plants; have inter-connections comprising nearly 19,000 miles of high tension transmission lines; practically one mile of high tension line for each 90 customers.

From their 219 generating stations they offer a combined service of 2,768,000 horsepower, and have provided, in addition, steam auxiliary plants amounting to 970,000 horsepower, and in building up and distributing this vast supply of energy they reach a combined investment account which totals the impressive sum of \$1,343,720,000.

Contemplate once more the lapse of weary years, the political difficulties and changes involved in attempting the construction of this service under governmental management.

Yet this vast sum was marshalled by these companies into a great public service operation for the eleven states in a prompt and efficient manner, and results in their supplying 85 per cent of all the energy used in the district under discussion.

What is the municipal and governmental picture of power service in the same territory? 327,500 customers sup-

plied, taking 14.6 per cent of the total energy used. They have in operation generating plants with an installed capacity of 190,000 horsepower; this amounts to a power supply of but little more than 25 per cent per customer, as compared to the capacity supplied by the private companies to their customers.

Again, I stress the fact that city growth is definitely limited by its power supply, and support of that assertion is found in the census report of municipal performance in the eleven states for the year 1922. There was a municipal output of 513 million kilowatt-hours, and in order to meet the demand these plants purchased from private power companies 195 million kilowatt-hours; nearly 40 per cent of their own ability to supply came to their customers as an additional service drawn from the use of invested private capital. This means that the combined governmental power operation in this district stands convicted of failure to install an adequate power supply as it only offers its customers one-four of the generating resource per customer that is provided by the private companies.

Promoters of municipal plants are merely copyists—they do not finance or conduct research work in behalf of the industry, as do the larger private companies.

They never initiate—they imitate. Their policy is always to skim the cream of the business; to furnish a service only to the densely populated districts, where short lines and low tension service only is involved, and the consequent cost of distribution is at the lowest. Their promoters loudly tell the farmer that he ought to have electric service, but only in rare instances have they undertaken to provide it.

Municipal managers meet the mistakes of construction problems and the errors of management by crawling underneath the coverlid of taxation, and in doing so avoid resting the true cost of power supply upon the consumer, as a private management must do, and by this sort of a scheme they make owners of vacant

buildings and unimproved city lots pay for the alleged cheaper service furnished the actual consumer. It is high time taxpayers begin to understand this phase of municipal accounting and bring about reforms in the laws that will compel these municipal power enterprises to operate under conditions that impose upon the actual users of the service its full cost; including operation, interest, depreciation and retirement of the bond debt that first provided construction costs.

The largest municipal plants operating in the western states are those of Seattle, Tacoma and Los Angeles. In Los Angeles they supply but 25 per cent of the energy used; in Seattle 40 per cent, and in Tacoma 56 per cent. Is it not timely to enquire as to what would be the position of these three great cities if they were left solely dependent upon this inadequate municipal supply? Is it not true that their splendid growth has been materially advanced through the enlistment of private capital, providing an ample power supply?

The private companies serving the eleven states recognize that lean territory must receive service, if it is to grow, and they have gone very far in spreading their distribution lines.

Much appears in the public press about the desirability of carrying electric service to the farms. Considerable ignorance prevails as to the difficulties involved in this class of service, and about the necessarily high investment cost per customer arising from a widely scattered distribution. In the establishment of farm service, the record made by the governmental plants, when compared with that of the private companies, is not one of encouragement to the farmer. In the eleven western states 107,750 farms are today receiving electric power service; California heads all the states with 62,900 farms served.

These figures reveal a sincere desire to provide service to thinly populated territory, and in many instances also the assumption of the burden of thin or unprofitable business on the part of the

private companies that goes far beyond the possible attainment of municipal plants, whose spread of development is in many of the states eliminated by law, to undertaking service delivery only within their corporate boundaries.

In appraising the results of municipal operation sound economic principles should not be lost sight of. If a municipal plant is created at the expense of the taxpayers through their loan of public credit, and through taxes levied to meet either operating deficits or capital charges, the involuntary investment made by these taxpayers is entitled to at least as much consideration as a voluntary investment made by them in a private enterprise, and they should receive similar returns in the form of an interest or profit on the undertaking which would be reflected in lower taxes to them. Furthermore, the plant operation should be charged with the equivalent taxes which would be paid by a private enterprise, for the loss of these taxes is a direct burden upon the remaining taxpayers of the city. If these sound principles were followed, the boasted achievements of municipal plants in providing service at low cost would be converted into negative values. The seventeen private power corporations referred to have no reason to apologize for either their existence or their performance in serving the public interest. In 1926 they made almost 13 billion kilowatt-hours for the use of their customers, which was 17.5 per cent of the total supplied in the United States, and that amount of service was given to but 4 per cent of the nation's population.

These corporations have remembered that it is a fundamental concept of America that the scales must be held level in the public interest, and that they must render service, and receive compensation therefor, always, in such a manner as to enjoy the confidence of the consuming public and of the regulatory commissions. There are many proposals to combine power development with irrigation projects undertaken by the Fed-

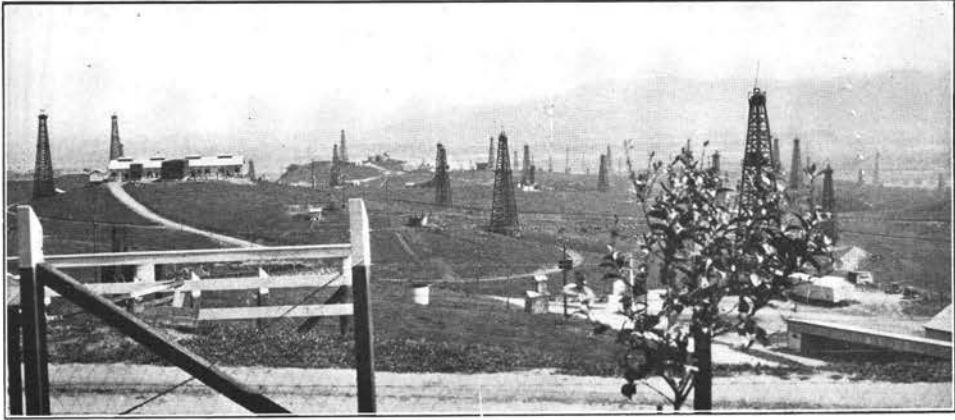
eral Reclamation Service, and claims are made that cheap power to settlers will result; this to occur through charging all basic costs of the power development to irrigation and recovering same from sale of the water rights. A great public benefit results to the west through the development of these irrigation projects, yet no one will claim that the Reclamation Service has constructed either cheap or economical developments. The difficulties of the government in obtaining payment for these water systems, and the necessity of cutting costs to the settler to approximately one-third of the actual cost to the government, by spreading the payments over a long term of years without interest, is ample evidence of the disparity between cost and value. This is not intended as a criticism of the Reclamation Service, as anyone familiar with the problem must recognize that large areas of arid lands cannot be developed upon a commercial basis; the conclusion which I mean to draw is simply that the achievements of this service cannot be validly pointed to as successful governmental operation of power projects.

On the other hand, there are in the district under discussion many cases in which the development of a stream for power in its upper reaches, with the storage of water, has resulted in regulating the flow of the stream and distributing its waters to irrigation lands below the power users without cost to the farmers.

This benefit to the farmer is often without appreciation or at best has but scant recognition.

Out of 11,721,000 horsepower of hydro-electric development in the United States, there has been developed by the seventeen larger private power corporations, in our eleven western states, 2,768,000 horsepower, or nearly 24 per cent of the total.

In the nation since 1913 the cost of living has advanced 70 per cent, while the cost of electricity has been reduced 11 per cent.



Oil Industry of Western States

By JOHN C. HOWARD

President, Utah Refinery Company, Salt Lake City, Utah

At Fifth Western Division Meeting, Chamber of Commerce of U. S. A.

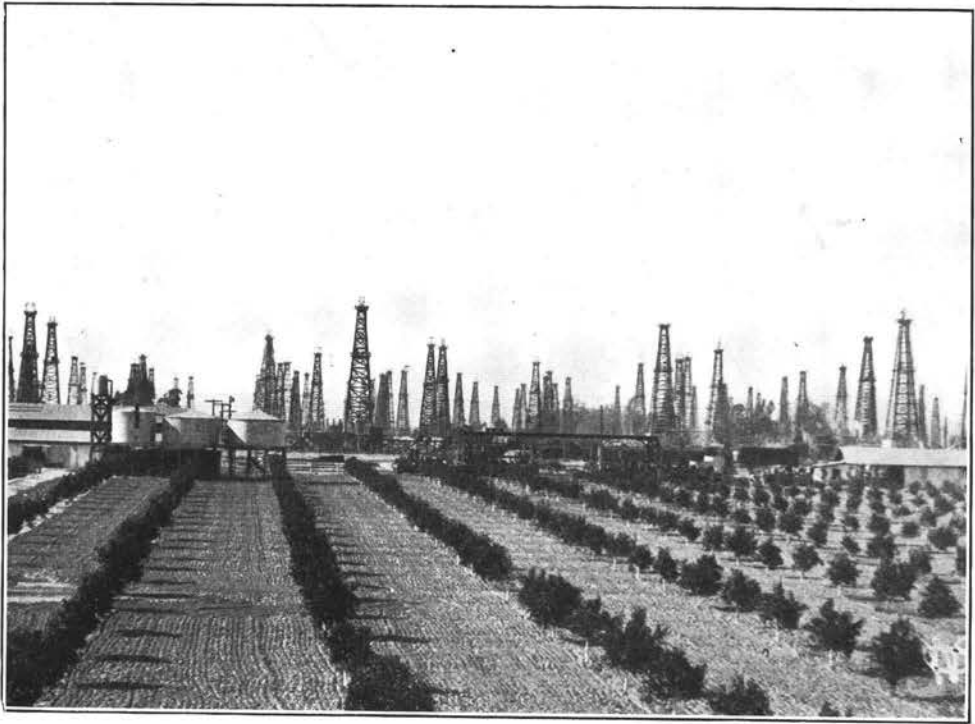
The Dutch Indies, as well as Mexico and Colombia, produce oil in large quantities and might well submit companion papers on Oil to this statement of Mr. Howard's, on the oil production in their countries. Australia might also have prepared a paper on the possibilities of shale oil.

For centuries small quantities of petroleum oil have been discovered in seepages and used by man principally for medicinal purposes, but not until the famous Drake well was discovered in 1857 was petroleum found in real commercial quantities and utilized for light, power and general utility purposes. And during the last seventy years, since the commercial discovery of petroleum, the world has produced approximately fifteen billion five hundred million barrels of crude petroleum out of either pumping or flowing wells. Of this amount, the United States of America has produced ten billion eight hundred million barrels or 69 per cent of the total world production.

The first petroleum oil in the western states was discovered in California in the year 1876. The next commercial discovery was in Colorado in the year 1887.

Since that time there has been produced approximately three billion one hundred million barrels in the eleven western states heretofore mentioned. However, no commercial production has been developed in six of these states, viz., Oregon, Washington, Idaho, Nevada, Utah and Arizona, thus leaving this entire production to come from the remaining five states, viz., California, Wyoming, Colorado, Montana and New Mexico--New Mexico having produced over four million barrels, Colorado nineteen million barrels, Montana twenty-seven million barrels, Wyoming two hundred seventy-six million barrels and California two billion seven hundred and seventy-nine million barrels.

The significant thing about these figures is that California has produced approximately 89 per cent of the crude petroleum in these eleven western states,



More than a fifth of the world's oil supply is produced by the oil fields near Los Angeles.

19 per cent of the total world production, 27 per cent of the total production of the United States, and is now producing at approximately that rate. The total production of the five oil producing states in this western territory is slightly in excess of seven hundred thousand barrels daily.

It is roughly estimated that the potential recoverable reserves of crude oil from already proven oil fields in the four oil-producing states of Montana, Wyoming, Colorado and New Mexico, according to methods of flowing and pumping methods of today, are approximately three hundred million barrels and that the total recoverable oil from the already proven oil fields of California will approximate, according to methods of flowing and pumping methods of today, three billion barrels, or slightly more than California has already produced. The estimated amount of oil left in ground in proven areas after flowing and pump-

ing cease will approximate fifteen billion barrels.

The annual value of the total production of crude oil from these five western states will approximate three hundred million dollars, thus placing the oil industry in about third rank, from a raw material standpoint, recognizing that agriculture comes first and metal and coal mining second. However, when this crude oil has been refined and finished into marketable products, the wholesale value of the petroleum products consumed in this western territory will aggregate six hundred million dollars, thus placing it second in rank, as to value, to the great industry of agriculture.

The present yearly requirements of this territory are approximately two hundred million barrels, and, based upon this annual requirement, we have actually in sight a reserve supply that will take care of our market requirements for at least fifteen years. However, it has been con-

servatively estimated that our reserves, including substitutes that can be developed, will meet our necessary requirements for an indefinite period.

Including the gasoline used in automobiles, petroleum and its products furnishes at least 80 per cent of all the power in the eleven western states, and excluding gasoline, it furnishes roughly 40 per cent of our fuel for power, steam and gas making purposes. Therefore, it is evident from these comparative figures that the oil industry in the eleven states of this division is one of the major factors of the industrial, economic and social life of these states.

It is proverbially stated quite frequently that this is the "Age of Steel," but we might also consistently state that it is also the "Age of Oil." Vast and extensive railroad systems, steamship lines, power plants, manufacturing industries and homes are operated on the fuel furnished from petroleum, besides the three and one-half million automobiles in the eleven states comprising this division. Therefore, oil is inseparably connected with this "Steel Age" and is one of the essential, basic commodities of our economic existence.

During the last ten years in these western states there has been a 300 per cent increase in the consumption of petroleum products. This increased demand has been brought about largely by the convenience and higher efficiency operators can secure out of fuel oil as compared to coal and especially by the tremendous increase in the use of the automobile.

To meet the requirements of this greatly increased consumption the oil industry has exerted itself to obtain additional production—at least a production equal to consumption. The industry has, in the past twelve years, indulged in wildcatting on a very great scale. In Wyoming, Montana, Colorado, Utah, New Mexico and California during the last twelve years there have been 19,232 wells drilled averaging a cost of over \$50,000 per well—or the total wells costing over

two hundred million dollars. Four thousand six hundred and thirty-seven, or 25 per cent, of the wells drilled were dry. Since a wildcat well costs much more than the average oil well in proven fields, it is reasonable to assume there has been expended upwards of seventy-five million dollars for dry holes in the western states in the last twelve years.

The methods of exploration have been materially improved. The oil geologist is better trained; he has adopted the Torson Balance and the Seismograph to aid him read the sub-conditions of the earth, thus enabling him to approve or eliminate many areas. A few years ago a well 3,000 feet deep was considered a deep well. Today, due to the improved designs and quality of drilling equipment, commercial wells are being profitably drilled over 6,000 feet in depth. These activities and improvements resulted in a great flood of oil.

This over-production period began in 1923 in the state of California, which has been followed up with the great Seminole and West Texas pools and has brought about general depression in the entire oil industry throughout the world. The oil industry may be compared to the seismograph which records the temblors of the earth, in that if a large pool of oil is found in California and results in production in excess of the normal territory requirements, this excess production immediately finds its way into the markets of the world and naturally depresses prices generally. Consequently, the oil industry in the United States, and particularly in the western states, has had a most difficult problem to survive during the last few years. Crude oil prices have been reduced very materially, there has been an intense competitive marketing situation and the two and one-half billion dollars invested in the oil industry in the western states has depreciated at least five hundred million dollars during the last four years. However, this struggle for existence has also had its compensating features in that in order to survive the industry has developed many

efficiencies and improved methods, reducing the cost of production, increasing the output of refined products and placing the marketing on a more efficient basis.

The American Petroleum Institute, comprising at least 80 per cent of the entire industry, has developed and adopted standardized oil field equipment as to size and quality and this in itself represents a very great saving and a greater utilization.

The refining department has made the most marked progress by applying chemistry and engineering to the new and improved processes of refining—particularly the so-called cracking stills, which converts heavier and less marketable oils into gasoline under high pressure and high heat temperatures, thus materially increasing the yield of gasoline. For instance, there are plants in the Rocky Mountain states, particularly in Wyoming and Utah, where from 55 to 71 per cent of gasoline is recovered from a barrel of crude oil. This intensive cracking is necessitated by the high freight rates and small fuel oil consumption in the Rocky Mountain states. However, on account of the very large available crude supply in California and the almost universal use of fuel oil on the Pacific coast, the refineries of California have made a highly satisfactory natural gasoline in quantities far in excess of the Pacific coast requirements. In the early days of refining in California the recovery of gasoline was about 15 per cent from a barrel of crude oil, but, due to the increased production of lighter crudes and also due to the installation of modern refining methods and, incidentally, of a number of cracking units, the yield of gasoline has been increased to approximately 25 per cent from all the crudes charged in the refineries of California. And when a substantially higher refinery realization for gasoline obtains, the refineries of California can materially increase, if not double, their present output of gasoline from the same quantity of crude charged.

During this period of over-production

the Panama Canal was a real godsend to the oil industry of California. While the Panama Canal was designed and constructed for the purpose of facilitating and protecting our national defense, it was finished and put into operation at a time preparatory to taking vast quantities of crude oil and finished petroleum products from the Pacific seaboard to the Atlantic seaboard. During the year 1923 over fifty-three million barrels of crude oil were shipped through the Panama Canal and since that time great quantities of crude oil and finished petroleum products have been, are and will continue to be shipped via the Panama Canal at a much lower rate than it could possibly be hauled across the continent by rail, or even through pipe lines, if they existed.

As stated before, the over-production brought about intensive refining methods, consequently a great available supply of refined products—especially gasoline—and the various companies embarked upon very extensive competitive marketing campaigns which is evidenced by the outlay of capital in the numerous gasoline filling stations. I would venture the opinion that at least 50 per cent of the present gasoline filling stations could serve the public adequately and satisfactorily. However, this might be said of dry goods stores, grocery stores and many other commercial activities in our present industrial and economic life. Every refinery is anxious to increase its gallonage, since there is an available supply of crude oil and, therefore, this intense and unnecessary building of gasoline filling stations, which materially increases the cost per gallon of gasoline to the public. The only cure for this useless waste of capital and superfluous construction will be a curtailed production, firmer prices of crude oil and of all petroleum products, and all oil men are hoping that this day may soon arrive. The American purchasing public is naturally spoiled by over-service and this is especially true in regard to the purchase of gasoline at these service stations. One cannot go more than two blocks in any

city or a half mile to a mile in the country without passing a gasoline station where all kinds of necessary service will be rendered and still the gasoline and lubricating oils purchased are sold at a very fair and reasonable price. This might be deemed the golden age for the consumers of gasoline and other petroleum products since fuel oil is actually cheaper today than during certain periods prior to the war and gasoline is only 12 per cent higher today than the average price obtained in 1913, whereas, the average price of all basic commodities is 56 per cent higher.

The posted service price at a retail gasoline filling station might be very misleading to the public as to what the oil refinery actually gets out of it. For illustration, taking the posted price of 20½ cents per gallon at the filling stations in the city of Los Angeles. Out of this, 3 cents per gallon goes to the state for road tax, 5½ cents per gallon represents the actual cost of putting it through the service stations, including labor, depreciation and other incidental charges, 3 cents per gallon covers freight, bulk storage, evaporation, selling, trucking, collecting and general overhead, leaving a net realization at the refinery in the Los Angeles Basin of about 9 cents per gallon, which price only yields a fair interest on the investment. The export price of gasoline in tankers is as low as 6 cents per gallon and after adding on depreciation and overhead, this is actually less than the gasoline costs. Therefore, the public is often prone to misjudge the oil industry by the posted filling station price, overlooking the state tax and the expensive service which they constantly demand.

The growth of the Pacific coast and tributary hinterland represented in this western division, plus the great demand of a fast-developing civilization in the Orient, requires a mental survey of potential reserves of crude petroleum and fuel substitutes. We have already stated that the present oil fields of the western states contained approximately three and

one-half billion barrels of recoverable crude by our present methods of recovery. Constantly these methods of recovery are being improved so that a very much larger percentage of oil will be recovered per acre in the future than there has been in the past. In fact, the mining of oil sands, after they have been abandoned by pumping wells, is a probability and its practicability has been attested by several operations in Germany. While we are of the opinion that California reached its peak production of crude petroleum in 1923, yet there is every reason to believe that there will be many other oil fields discovered in California. This also applies to the states of Montana, Wyoming, Colorado and New Mexico and it is not at all improbable that large commercial fields will not be found in the balance of the present non-producing states of this division.

When crude oil production decreases materially and consequently the price advances, it will then warrant the extraction of oil from shales. According to the U. S. Geological Survey there are several hundred billion tons of oil shales in these western states, particularly in Utah, Colorado and Wyoming, and each ton will yield from 30 to 40 gallons of oil. The processes of extraction of crude oil from the shale are constantly being improved by private individuals and also by the United States government, under the direction of the Bureau of Mines at its experimental plant at Rulison, Colorado. Shale oil will yield suitable gasolines, kerosenes, naphthas, distillates, lubricating oils and waxes. The present methods of refining will necessarily have to be changed and adapted to this character of crude. During 1926 there was approximately 600,000 gallons of crude oil extracted from shale.

In addition to the recoverable oil out of oil shales, we have vast quantities of bituminous coal which will yield approximately thirty to fifty gallons per ton of tar, part of which can be converted into a suitable motor fuel. In Utah alone the U. S. G. S. estimates there is four hun-

dred and ninety billion tons of coal which would yield approximately one barrel of 42 U. S. gallons of tar oil to each ton of coal. At the present time the Columbia Steel Corporation, at its Iron-ton plant, refines approximately two million gallons of benzol annually out of the coal tar from Utah bituminous coal. As you all are aware, benzol mixed with gasoline makes the highest grade and most satisfactory motor fuel. We are fully convinced that an almost inexhaustible supply of substitute fuels has been definitely discovered and that practical and economical processes of extraction and finishing are being rapidly perfected. Therefore, there is no immediate need of any drastic legislation, either by the states or by the federal government arbitrarily regulating the output of crude petroleum and placing certain restrictions upon refining operations and controlling the market of petroleum products. In our opinion, no arbitrary or drastic legislation enacted either by the federal or state governments could possibly be helpful, either to the people or the industry, but, on the other hand, would be very destructive and further impair the efficiency of the industry and automatically boost the prices on the essential products of petroleum. While there has been some agitation by certain misinformed people, insisting upon drastic legislation, the oil industry is gratified that the administration in Washington is cooperating with the oil industry in a most wholesome, constructive manner to bring about a better condition in the industry and, at the same time, conserve this essential commodity for future necessary use by the public and for national defense. The President has appointed, some three years ago, a Federal Oil Conservation Board, consisting of four members of his cabinet, for the purpose of investigating the oil question thoroughly and devising plans which he might in turn submit to Congress for legislation. The Federal Oil Conservation Board has called upon the American Petroleum Institute, representing the industry, and all

other independent groups in the oil industry, to submit their recommendations to the board, and just recently it was decided by the board to appoint a committee of nine. Three members represent the oil industry to guide the committee along practical lines; three members represent the American Bar Association, to determine the legality and especially the constitutionality of proposed legislation; and three members represent the government, so that there will be closer cooperation between the government and the industry. We are confident that the committee of nine will develop and submit several concrete constructive recommendations that will be helpful to the industry and conserve the people's interests.

The oil business would welcome the repeal of certain provisions of the anti-trust laws and in lieu thereof legislative permission to pool interests in new gusher pools, enabling it to avoid competitive offset drilling and also legislation prohibiting the waste of gas, thus automatically curtailing production of crude oil and making it possible to recover an additional amount of oil and conserve gas.

Compared to the twenty-year period before the war, which we might term the period of socialistic agitation against big business and consequent prosecution of trusts, organized business today is actually operating in a period that we might call the millenium, since the federal government and the state governments are actually cooperating in putting all kinds of business, both small and large, in a position to produce essential commodities at a lower cost for domestic trade, and especially to enable business to meet competitive prices in the export markets of the world. All business, and especially the oil business of the western states, should be grateful for the fair attitude of government agencies and we believe that by conscientious effort on our part we can continue to have the confidence and support of the government.

The Development of Aeronautics in the U. S. and in the West

By R. E. FISHER

Chairman, Statewide Aeronautical
Committee, California Develop-
ment Association

At Fifth Western Division Meeting,
Chamber of Commerce of U. S. A.



*R. E. Fisher, Vice-President Pacific
Gas and Electric Company.
San Francisco.*

Japan, Australia and even China are developing air service and should send advance papers on this subject to the Second Pan-Pacific Commercial Congress in Los Angeles in December, by which time it is hoped that California will be in position to transport the delegates by air throughout the state.

There were four automobiles built thirty years ago and four million last year. The automobile business is thirty years old and only three years have been devoted to commercial aircraft factory production. Up to three years ago all commercial work was done in war planes. The greater utility of modern commercial planes has more than offset the additional cost because the new light planes can be flown for six cents a mile, carrying 100 per cent more pay load.

During the entire year of 1926 there were four million six hundred nine thousand miles flown by mail and airway operators. During the first half of last year three million seventy-nine thousand miles were flown by similar agencies, indicating an increase of approximately 175 per cent for the entire year of 1927.

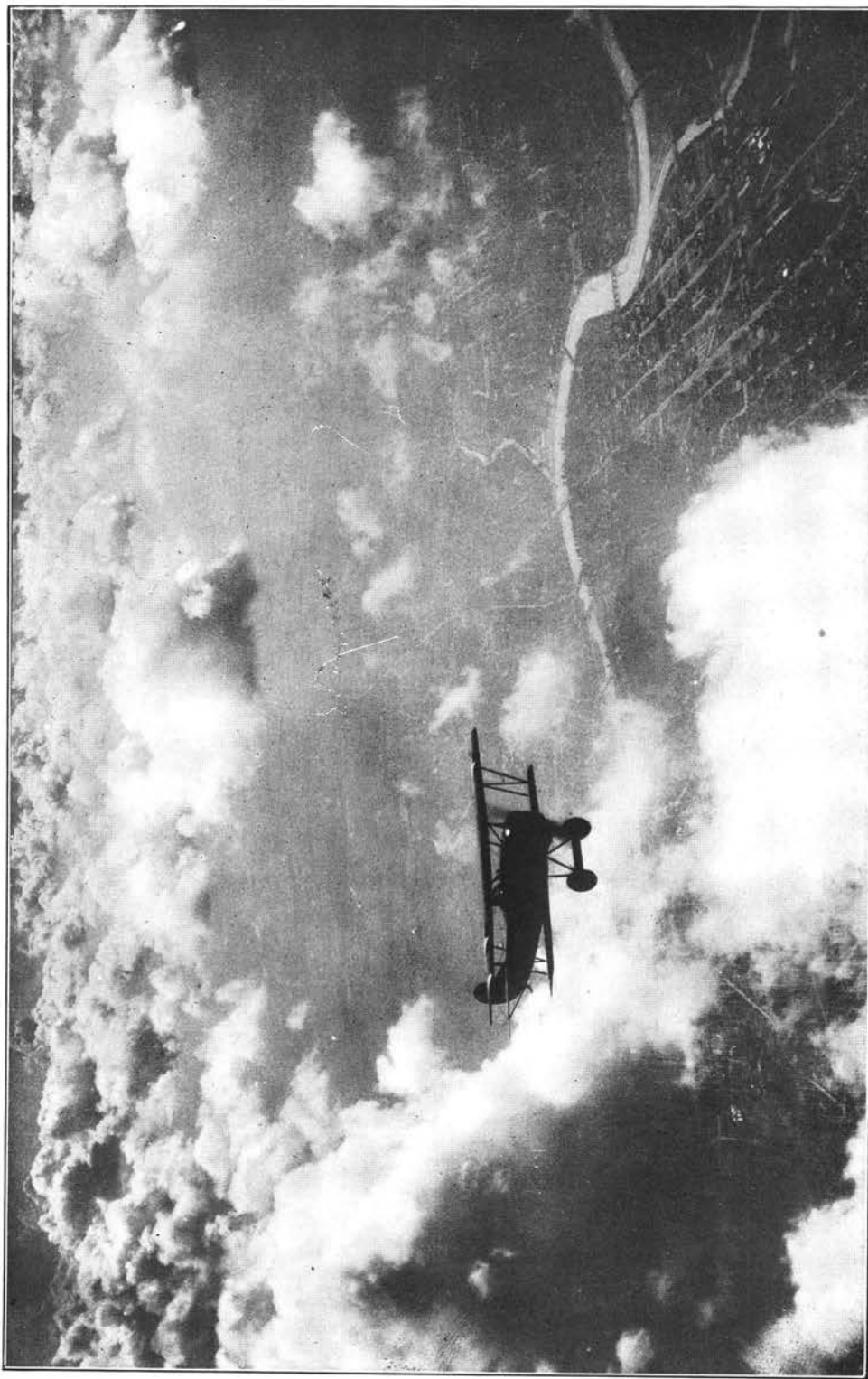
Today there are more manufacturers producing planes for commercial consumption than there are manufacturers

producing military aircraft. Not only are there more commercial manufacturers but the quantity of their product greatly exceeds that for military consumption.

Geographic isolation has been the greatest single drag on the wheels of western commerce.

The aircraft industry has added to the United States business directory approximately ten hundred and fifty new enterprises whose sole income is from aeronautical activities. Of these one hundred and sixty are located west of the Sierras. States east of the Pacific seaboard average twenty such industries per state. Over one hundred and fifty of the one hundred and sixty western concerns are located in California. Aircraft activities are classed as follows: Manufacturers, distributors, dealers, designers, remodelers, aerial photography, airport lighting, hangars, instruments, materials, propellers, technical books and periodicals, spare parts dealers, operators, taxi, sight-seeing, delivery, instructors, engineering, consulting, and schooling.

An estimate places the value of planes produced in the west at a figure between six and seven million dollars, with a pay-



Flying in America. Aerial navigation in America has reached the safety point. Air mails are carried in every direction and it may be within the range of possibility that the delegates to the Second Pan-Pacific Commercial Conference in Los Angeles next December may be carried through the air after the Conference to visit the Chambers of Commerce of other Pacific Coast cities.

roll of approximately four million dollars.

One western commercial manufacturer delivered one hundred eighty planes in December and accumulated forty-three orders that they were unable to fill.

A western newspaper states that the Boeing Aircraft Company is the largest single industry in Seattle and further that two western contractors produce the greater part of military and naval aircraft.

From April 17, 1926, to December 1, 1926, one western contract line flew three hundred two thousand miles carrying two hundred passengers and seventy-six thousand six hundred pounds of mail and three hundred pounds of express. During the corresponding nine months of last year this company flew three hundred forty-nine thousand two hundred seventy miles, carried three hundred and seven pounds of mail and four thousand five hundred twenty pounds of express. This is an increase of 16 per cent in mileage over the original lane, 73½ per cent in passengers, 112 per cent in mail and 1400 per cent in express.

The close of 1926 saw the establishment of one hundred and seventy-eight municipal airports in western communities and air lanes completed to the extent of twenty-seven hundred and sixty miles. Today there are two hundred and seventy-five airports, while 70 per cent of the total air line mileage is located in the west; 25 per cent of all aviation equipment, and 33 per cent of all aeronautical personnel. It is estimated that Boeing carries 35 per cent of all airmail flown in the United States.

One company operating in the west totaled an income of one hundred ninety-nine thousand eight hundred dollars during the last nine months of 1926. The first half of last year their income was two hundred sixty-six thousand three hundred dollars, showing an increase of 25 per cent in six months.

Last minute advice from the San Francisco-Chicago line shows an increase last year of 50 per cent over a corresponding

six months period in 1926. Thirty-one thousand one hundred eighty-six pounds of mail were sent east during the last half of 1926 and forty-five thousand seven hundred sixty-three pounds last year.

Mr. Fokker is completing designs even now for several multi-motored planes to operate between Los Angeles and San Francisco in accordance with the Guggenheim equipment appropriation for that purpose. It is a tribute to western prominence in air traffic that the Guggenheim Foundation, located in the extreme eastern part of the nation, should choose this far western line as the most suitable laboratory for the development of our first up-to-date inter-city passenger carrying air line.

The fore mentioned article by Mr. Stinson in "Management" for November last year states that in eighteen months insurance rates dropped from thirty dollars to three dollars per passenger, while today an entire operating line has insured its year's operation for ten hundred and twenty-five dollars regardless of the amount of traffic. One company carried ten thousand passengers in three months and many carry over one thousand a year, making the insurance rate less than a dollar per passenger. The insurance rate on surface carried express in Europe is more than double the rate on air carried express.

An interesting fact has recently been established that the policy contracts of forty-two of the fifty leaders in volume of business—have no clause eliminating liability from aeronautical activities. The volume of business thus laid open to aircraft hazard is sixty-seven and one-half millions of dollars. Such a step could only result from exhaustive investigation of aeronautical hazards and should satisfy the most skeptical that aircraft are safe.

The yellow sheet is responsible for the wrong impression that flying is more dangerous than other means of travel. Insurance rates are a direct contradiction to this. All modes of travel are hazard-

ous and remember that there are dangers in standing still while others are rushing about. One air mail pilot was killed in two and a quarter million miles of flight, half of which was done at night. During the same time fourteen rural free deliverers were killed at a perhaps lesser mileage.

Commander Leighton, United States Navy, states that accidents due to motor failure are so infrequent as to be of minor importance in working for future safety. Corroborating this it might be pointed out that the Department of Commerce directs practically 100 per cent of its regulative power toward the production of structurally sound planes and properly instructed pilots and mechanics.

Commerce reports show that of the twenty-five fatal accidents occurring between January 1 and June of last year, thirteen were attributable to unlicensed pilots and planes, and seven others to structural failures, which in the future will be impossible under the rigid requirements now established by the Department of Commerce.

The Professional Pilots Association of Los Angeles has given us ample reasons to believe that with the use of only experienced professional pilots and good planes there is no need to fear for safety. The pre-requisite for membership in the Professional Pilots Association is four years of flying experience. Of the ninety-three members now active in this association, no one has received any injury whatsoever and these pilots have flown over ten millions of miles since the organization was formed in 1923.

One company figures their cost of operating single engine transport planes at thirty-five and twenty-eight hundredths cents per plane mile. Planes of this type carry six or more passengers or an equivalent poundage in pay load. This reduces the cost per mile per passenger to five cents, which is comparable with the present railroad fare inclusive of Pullman. Other estimates range from this up to one dollar a mile for single

engined planes and up to one dollar and a half for multi-engined planes. Costs on the New York-Chicago Dallos route, exclusive of overhead and publicity, is figured at fifty-one cents per mile.

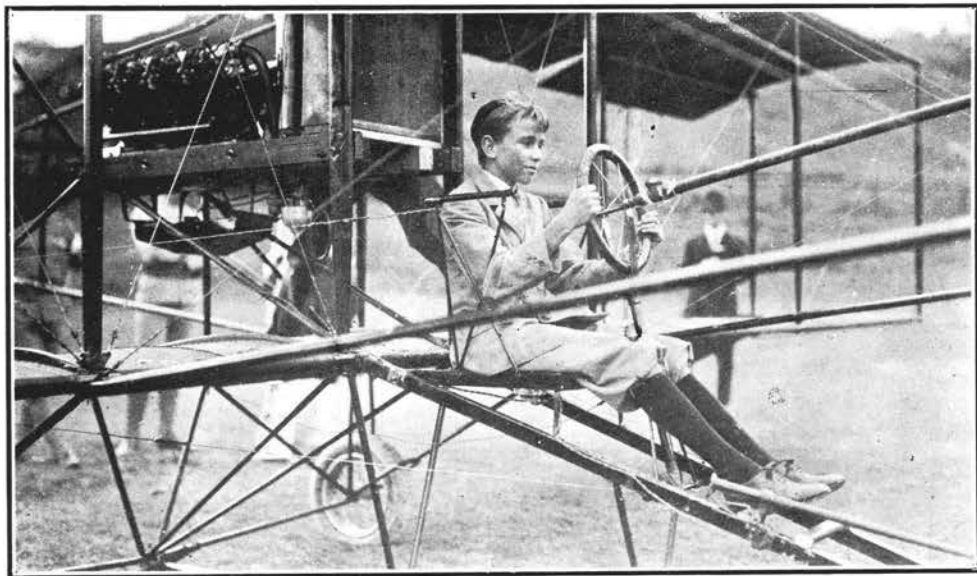
According to one manufacturer, it costs from twenty cents to thirty-five cents per mile to operate their planes. The variation in this figure is due to the allocation of overhead which, of course, decreases per mile as the number of miles flown increases. This plane, in carrying four passengers and three hundred pounds of cargo, reduces the rate per passenger mile to the neighborhood of five cents and the pound mile to about three one-hundredths of a cent.

Airways cost approximately one hundred seventy-six dollars per mile and auto roads average thirty thousand dollars per mile. The average airport costs less than two miles of auto road. The average railroad Pullman costs one thousand ninety-three dollars per seat, the motor bus five hundred dollars per seat and the airplane thirteen hundred dollars per seat. This value will come down as production reduces the cost of planes.

In response to this rapid and sound growth the business associations and various public spirited organizations throughout the west have entered upon a systematic campaign of public education, bringing to every potential consumer the proven benefits to be derived from aerial mail, express, and passenger services.

In the past year the Standard Oil Company has steadily increased their far-sighted contribution to aviation by air marking five hundred towns and stations in California and by publishing and distributing fifty thousand copies of information bulletins showing suitable landing fields, points of fuel supply, telephones, etc. The Department of Commerce has mapped and published over two hundred and fifty local maps on class "A" and emergency fields and air lanes in ten western states.

The California Development Association is at present instituting a campaign



A young aviator in Hawaii taking his first lesson.

asking people to fly only in licensed planes with licensed pilots. In addition to this they have published and distributed to operators a looseleaf bound set of airports and emergency landing fields throughout the state.

The limitations of this paper precludes separate appreciation of the many other organizations who have caught the sparks of enthusiasm for this promising activity and given unselfishly of their time and money.

At our last meeting one of the delegates returned from Colorado Springs to Los Angeles by way of the Western Air Express. He saw his friends off at seven o'clock in the evening, returned to his hotel and a good night's sleep. He caught the westbound plane at seven o'clock in the morning and within three hours the pilot pointed to the train below carrying those who had left eight hours previously. At 11:35 the same morning he landed in Los Angeles in time for a good meal and the train carrying the other folks arrived in Los Angeles the following morning.

A president of a mid-western manufacturing company, owning plants in De-

troit, Indianapolis, Cincinnati, South Bend, Muskegon and Grand Rapids was enabled to visit and transact business in all these plants and return to his home within a single business day.

Transportation in northern Canada was cut from ten days by dog team to one hour and five minutes by plane.

A mail route in Colombia cut its trip from three months to four hours by use of the airplane.

Testimonies of this nature should alone enlist the complete cooperation of every modern business man in appreciation of value received.

A certain bank located in San Francisco saved by sending their draft via air mail two days on the collection time of a seven hundred and fifty thousand dollar note. The interest for this time amounted to a saving of two hundred and fifty dollars. It cost ten cents to send the letter.

Mr. J. D. Alexander of Denver says: "In my own experience in flying I have found that trips by air will save enough in railroad fare and salary time to pay the cost of an airplane in sixty days"; in addition, "it puts my nerves in splen-

did shape and furnishes the same tonic that a vacation does."

A conservative estimate on use of air mail by bankers and commercial houses throughout the west indicates a saving of six million dollars annually to western depositors. Notwithstanding this conclusive evidence it is stated that some air lines are still operating at a loss and should receive the utmost cooperation in building up their pay loads.

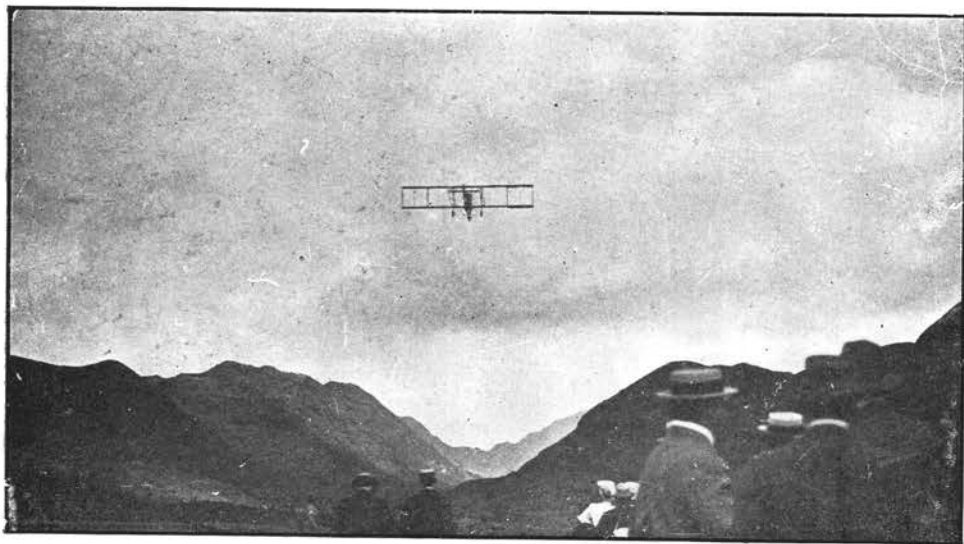
Mr. Coffin states that "the outstanding weakness of our present American commercial aviation is to be found in the lack of public information as to the availability and usefulness of these services and in the lack of patronage accorded our existing air lines."

In twenty-five years the automobile grew from infancy to first place in value of finished products in American industry. In its growth the auto designer, inventor and consumer were handicapped with unsolved mechanical problems, retarded by the lack of good roads and servicing equipment along the roads. Today aviation is enjoying the fruition of

this vast store of mechanical knowledge and equipment, while it is rightly asserted that there is more technical data available to the aeronautical engineer than to any other field of engineering.

There has been considerable speculation regarding the center of the aircraft industry. It seems that the state of California leads with twenty-one establishments producing commercial airplanes. One of the largest manufacturers of commercial airplanes is the Alexander Company of Denver, Colorado. This company stands second in production, completing two planes a day at present and preparing to quadruple their total production for 1928.

The year 1928 marks the twenty-fifth anniversary of the birth of aviation. This is the first year in the history of aviation in which the industry faces a demand exceeding the possibilities of supply. Perhaps no other national enterprise faces this unusual situation. Let us keep the west at the fore-ranks of aeronautical growth.



The first plane that flew over the Hawaiian Islands a dozen years ago.

America's Financial Situation

By L. P. HAMMOND

A Paper Read Before the Pan-Pacific Club of Tokyo

This address on American Finance is typical of the carefully prepared papers read before the Pan-Pacific Club of Tokyo at its weekly luncheon meetings. It is a good example of the kind of advance papers needed by the Second Pan-Pacific Commercial Congress gathering to be held in Los Angeles, December, 1928.

The trend of modern business in the United States is all toward large units of business. With increasing rapidity the small business conducted by an individual or a firm is disappearing from the stage, and business is passing into the hands of the larger, stronger, companies. Almost every line of staple production and manufacturing is subject to the severe competition occasioned by our so-called post-war conditions. During the war we were forced to increase our facilities of production enormously, and after the armistice the country as a whole found itself with much more facilities for production than could be profitably employed under normal business conditions. The result has been a competitive era in which only the strongest are surviving.

It is a well recognized fact that the large business unit cannot have the close personal supervision of executives that is possible in the small unit, and that when it comes to skillful and efficient management in the conduct of any particular business, it is more easily attained in the small business than in the large, where the executives cannot possibly be familiar with every detail. Consequently, there must be some special reason why the large business unit is making out better under the stress of keen competition than the small unit. In my opinion one important factor is

the greater facility with which the large unit can raise capital, and the fact that in raising its capital it must employ the aid of experienced "investment bankers", who have to insist upon sound methods of capitalizing the business, and who know what those sound methods are. Consequently, the capital structures of the large units are well planned with an eye to certain fundamental financial conditions. As a result, not only is it possible for these large business units to obtain capital more easily than the small unit can obtain it, but they are also capitalized in such a manner that the whole structure is thoroughly sound and storm-proof, and during periods of depression, or when profits are temporarily reduced by keen competition or other adverse factors, the large unit comes through the storm unimpaired, while the small unit, having more or less of an amateur, weakly set up capital structure, is very apt to be crippled or destroyed.

We all are familiar with business enterprises which have been essentially sound but have nevertheless failed in times of distress. The business in which they operated was a good business, the owner or principal owners gave the business close and skillful attention, and while fair weather prevailed the business was active and prosperous. When on the other hand, a business storm was encountered, the business went to the wall and

either disappeared or passed into other hands. 99 times out of a 100 the cause of this was due to the business having incurred obligations it could not meet when they became due and it therefore had to be surrendered by the owners to the creditors. In the United States many unfortunate owners of such business enterprises will continue to wonder as long as they live why the business had to be shut down and liquidated. It was a sound business in a profitable line of enterprise, but instead of keeping it alive and giving it time in which to work out of its difficulties, the creditors insisted upon liquidating it and getting out of it whatever they could in satisfaction of its indebtedness. The trouble was that through lack of financial skill the owner had become indebted to creditors who could not afford to carry the credit indefinitely.

We Americans and our English cousins use the word "banker" quite loosely, altogether too loosely in fact. We refer to an institution whose sole business is to buy issues of bonds and then distribute the bonds at retail among investors, as a banker, or a banking house. Now such an institution is not a banker properly speaking, at all. It is a merchandising institution, buying at wholesale and selling at retail, just like any dry goods jobber. I will try to be on my guard against the use of this term and when I speak of bankers mean only regular banks of deposit who will receive your money or my money on deposit and return it to us at any time either on short notice or demand. If we keep this kind of institution separately in our minds from bond dealers and the so-called investment bankers, who confine their activities to bonds or stocks, my points will be clearer.

We have not yet found a proper term for the institutions raising permanent capital requirements of companies. As I say, we loosely refer to them as bankers. We are beginning to differentiate and speak of them only as "invest-

ment bankers". The term "security dealers" is perhaps even better and is slowly coming into use. The work is, however, becoming a very distinct and separate profession, and of increasing importance in the general financial and economic structure throughout the United States. The function of these institutions is to connect up the ultimate investor with the business requiring capital. These security dealers are divided into many branches. Some of them will handle only high-grade, well-seasoned, well-secured bonds. Others occupy a perfectly legitimate field in finding purchasers for common stock of new, untied, speculative business ventures. Some institutions operate throughout the entire field, but generally speaking, the tendency is to specialize.

These security dealers have two important functions, one of which is to distribute a new issue of securities initially. The other is to maintain the so-called "secondary market" for the issue so that the investor may safely rely upon having a market for the bonds or stocks he has purchased if and when he desires to sell out that particular investment. Consequently, the bonds and stocks of the larger, well-known companies in the United States generally command a ready market, and the fact that he can sell out if he wants to, or has to, is of great importance to the investor, and makes him much more ready to buy the bonds or stocks in which the security dealer may be trying to interest him.

The work of the true bankers and the work of the security dealers is interconnected and in some respects overlaps, but I think, generally speaking, both our commercial bankers and our large security dealers have come to feel that there are some certain fundamental necessities in a sound capital structure. Of course, they look to the assets and earning power of a company, and of course they divide the assets into two principal headings, namely, "fixed assets" and "quick assets."

Let us deal first with the quick assets.

These of course consist of cash, accounts and notes receivable, raw and finished materials, or merchandise, and other assets of such a character that they may be quickly converted into cash at any time, even though the conversion will be accompanied by a decided shrinkage in value. Normally, these are the only assets which our true bankers will take into consideration in granting credit. In the United States, the capital tied up in assets of this character (except of course cash, which finances itself) may safely be in the form of short-term borrowings from the regular commercial banks, or it may be represented by so-called commercial paper, that is, short-term notes, or acceptances, and there are many large and well-established institutions whose principal business is the distribution of this so-called commercial paper among various investing institutions. Again, in recent years, a large business has grown up in discounting the receivables of the business, that is, there are institutions who will advance money to any reputable merchant or manufacturer on the security of his accounts and notes receivable. On the whole, however, conservative bankers and commercial paper dealers require that the borrowing company show good quick assets, having an aggregate value of at least twice all the short-term borrowings and other current liabilities, including the accrued liabilities represented by accruing interest, taxes, etc. Of course the theory is that in the event of forced liquidation, the quick assets will produce at least 50% of their book value in cash.

The remainder of the quick assets, that is the other half, is the "working capital" requirement of the company, and it, together with its investments in fixed assets, must be represented by so-called permanent capital, i. e., long-term debentured and/or stock. The appraisal of fixed assets is a tricky and difficult thing. The American investor has come to recognize that fixed assets are, so to

speak, the tools of the business. Of course they represent real estate, buildings, fixtures, and in the case of manufacturers, tools and equipment generally. The fact that the fixed assets cost a relatively large amount of money and stand at a correspondingly high figure on the books may be adverse rather than favorable. For example, if a carpenter can earn only a fixed amount per day but has to invest let us say 200 yen in his tools, he certainly is not so well off as some other carpenter who can earn just as much per day but gets along successfully with only 100 yen invested in his tools. Consequently, in financing the fixed assets of a corporation the experienced investment dealer scrutinizes the earning power of the company just as carefully as he scrutinizes the book value of the fixed assets. The capital for the fixed assets and the "working capital" is frequently partially provided by long-term debentures representing a very small proportion of the book value of the corresponding assets. In industrial and merchandising operations, it is customary to require sinking funds for the gradual retirement of such obligations.

These debentures may be directly or indirectly secured in a variety of ways. Generally speaking, they should only be employed for expansions or additions or acquisitions, where the executives and the stockholders are confident that the resultant profits will pay off both principal and interest of the debentures within a reasonable time, and where the stockholders are perfectly willing to let a substantial amount of the earnings of the business be devoted to the retirement of the debt rather than to the increase of dividends.

Next, we employ our so-called Preferred Stocks to a very large extent in the United States. They are quite different from Preferred Stocks here in Japan. Generally they are limited as to dividend, that is, they will receive preference in dividends to the extent of

6%, 7% or 8% (according to their terms), but have no further participation in earnings. Their preference as to dividends is generally cumulative; that is to say, if the dividend be 7% and is not paid this year, then next year the Preferred Stock must receive 14% before the Common Stock can have any dividend, and so on. The Preferred Stock also comes first in event of dissolution of the business and must be paid off at a stipulated amount before the Common Stock receives any distribution. In the United States conservative issues of Preferred Stock have a very high rank with many investors. Generally speaking, investment dealers demand that the assets represented by Common Stock shall be from one to two times as great as the amount of Preferred Stock outstanding, and they require that earnings over quite a few years (generally five) shall have been two or three times the annual dividend requirements on all Preferred Stock to be outstanding. The remainder of the value of the business and any intangible assets, such as good will, etc. is capitalized in Common Stock. In discussing financial matters here in Japan, I frequently hear talk about "water in stock". The term is an old and familiar one in the United States, but I have never been able to regard it as an unfavorable term. In my own mind, I always call it "capitalized hope," and regard it as perfectly legitimate. In a soundly financed company the common stockholders assumes most of the risks of the business, and consequently he is entitled to the best chance for the profits. There are many high-grade security dealers who specialize in common stocks.

There are many other forms and sub-divisions of the securities which time prevents my discussing here, but roughly speaking, they may be divided into

- a. Long-term debentures.
- b. Preferred Stocks.
- c. Common Stocks.

Some of the principal variations are conversion features, whereby debentures or Preferred Stock may, if the holder desires, be converted into common stock, under stipulated conditions. Occasionally, preferred stock is given some further, but limited, participation in profits than its nominal dividend. Companies frequently will sell options on future issues of common stock at a fixed price. These are known as Option Warrants, and are very helpful in financing new companies.

Now, as I have mentioned, different security dealers specialize in various securities, while others deal in all of them. There is, however, a demand for all of these securities, and there is always some class of investor wanting some particular kind and not interested in any other kind, and there are business enterprises in the United States who have found it decidedly profitable to be able to offer any investor the kind of investment he wants, so that, generally speaking, the fixed assets are financed with permanent capital, and short-term or temporary borrowings are depended upon only to finance quick assets. So financed, a business is in shape to weather a financial storm. Otherwise, it is, according to our experience, always in a somewhat precarious position.



BULLETIN OF THE PAN-PACIFIC UNION

An unofficial organization, the agent of no government, but with the good will of all in bringing the peoples of the Pacific together into better understanding and cooperative effort for the advancement of the interests common to the Pacific area.

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HONOLULU

Published monthly by the Pan-Pacific Union
1928

AIMS OF THE PAN-PACIFIC UNION

From year to year the scope of the work before the Pan-Pacific Union has broadened, until today it assumes some of the aspects of a friendly unofficial Pan-Pacific League of Nations, a destiny that both the late Franklin K. Lane and Henry Cabot Lodge predicted for it.

The Pan-Pacific Union has conducted a number of successful conferences; scientific, educational, journalistic, commercial, fisheries, and most vital of all, that on the conservation of food and food products in the Pacific area, for the Pacific regions from now on must insure the world against the horrors of food shortage and its inevitable conclusion.

The real serious human action of the Pan-Pacific Union begins. It is following up the work of the Pan-Pacific Food Conservation Conference by the establishment of a Pan-Pacific Research Institution where primarily the study and work will be along the lines necessary in solving the problems of food production and conservation in the Pacific Area,—land and sea. Added to this, will be the study of race and population problems that so vitally affect our vast area of the Pacific, the home of more than half of the peoples who inhabit this planet. The thoughts and actions of these peoples and races toward each other as they are today, and as they should be, for the welfare of all, will be a most important problem before the Union, as well as the problem of feeding in the future those teeming swarms of races, that must be well fed to preserve a peaceful attitude toward each other.

The Pan-Pacific Union is an organization in no way the agency of any Pacific Government, yet having the goodwill of all, with the Presidents and Premiers of Pacific lands as its honorary heads. Affiliated and working with the Pan-Pacific Union are Chambers of Commerce, educational, scientific and other bodies. It is supported in part by government and private appropriations and subscriptions. Its central office is in Honolulu, because of its location at the ocean's crossroads. Its management is under an international board.

The following are the chief aims and objects of the Pan-Pacific Union:

1. To bring together from time to time, in friendly conference, leaders in all lines of thought and action in the Pacific area, that they may become better acquainted; to assist in pointing them toward cooperative effort for the advancement of those interests that are common to all the peoples.
2. To bring together ethical leaders from every Pacific land who will meet for the study of problems of fair dealings and ways to advance international justice in the Pacific area, that misunderstanding may be cleared.
3. To bring together from time to time scientific and other leaders from Pacific lands who will present the great vital Pan-Pacific scientific problems including those of race and population, that must be confronted, and if possible, solved by the present generation of Pacific peoples and those to follow.
4. To follow out the recommendations of the scientific and other leaders in the encouragement of all scientific research work of value to Pacific peoples; in the establishment of a Research Institution where such need seems to exist, or in aiding in the establishment of such institutions.
5. To secure and collate accurate information concerning the material resources of Pacific lands; to study the ideas and opinions that mould public opinion among the peoples of the several Pacific races, and to bring men together who can understandingly discuss these in a spirit of fairness that they may point out a true course of justice in dealing with them internationally.
6. To bring together in round table discussion in every Pacific land those of all races resident therein who desire to bring about better understanding and cooperative effort among the peoples and races of the Pacific for their common advancement, material and spiritual.
7. To bring all nations and peoples about the Pacific Ocean into closer friendly commercial contact and relationship. To aid and assist those in all Pacific communities to better understand each other, and, through them, spread abroad about the Pacific the friendly spirit of inter-racial cooperation.

The Second Pan-Pacific Commercial Congress

And the Sixth Meeting of the Western Division of the Chamber of Commerce of the United States.

The Pan-Pacific Union was officially requested by the Western Division of the U. S. Chamber of Commerce to ask the countries bordering the Pacific to send delegates and observers to the fifth meeting of this organization, which was held in Honolulu early in February, 1928.

Unfortunately, the request came too late for effective work but the spirit was there and at the meeting in Honolulu, attended by the President of the Chamber of Commerce of the United States, and a number of its directors, cordial invitations were extended to the Union to secure attendance from the Orient and about the Pacific at the next meeting of the Western Division of the Chamber of Commerce of the U. S., which will be held in Pasadena, probably in Dec. 1928.

High officials of the U. S. Government, of the Chamber of Commerce of the U. S. A. and of its Western Division, have given assurances that they will be present in Los Angeles as delegates at the Second Pan-Pacific Commercial Conference in December, 1928. They will assist in making this a demonstration to the overseas Pacific countries that the right hand of fellowship is extended from the Pacific Coast of America to the business men of every Pacific land, and that on this occasion efforts will be made to cement Pan-Pacific business interests and to consolidate them into some organization for better mutual understanding and commercial unity in the Pan-Pacific area, the home of more than half the peoples of the world.

While the governments of the Pacific have always sent delegates to the conferences called by the Pan-Pacific Union, and many of them have appropriated funds for its support, the Pan-Pacific Union and its conferences are in no sense governmental or official.

The question of organizing a Pan-Pacific Chamber of Commerce was taken up at the first Pan-Pacific Commercial Congress, held in Honolulu, during October, 1922, and referred to the second conference for further consideration. Writing on this subject, Mr. Paul Clagstone, president of the Western Division of the Chamber of Commerce of the United States, says:

"I am much interested in the plans to, possibly, organize a Pan-Pacific Chamber of Commerce, which I think would be very worth while."

At the Honolulu meet of the Western Division of the Chamber of Commerce of the U. S. A. the proposition was received in a friendly spirit. Whether the Pan-Pacific Chamber of Commerce be organized as an independent body or as a regional section of the International Chamber, it seemed to be the sense of the meet that it might be well that the business interest of the Pacific have an organization of its own for calling under its direction and guidance future Pan-Pacific Commercial Conferences, and this is the hope of the Pan-Pacific Union in calling the next Commercial Congress.

Speaker after speaker urged that the next Convention of the Western Division of the U. S. Chamber in Pasadena and the gathering of the delegates to the Second Pan-Pacific Commercial Congress in Los Angeles, be made to synchronise. In fact the invitation of the Pasadena delegates to meet in that city, which adjoins Los Angeles, was made with the request that the dates of the two conferences be set to follow one another so that visitors from across the Pacific might attend the U. S. Chamber Conference in Pasadena, as well as the Second Pan-Pacific Commercial Congress in Los Angeles.

Plans are now in progress to bring

this about so that immediately following the Pasadena Conference, the Second Pan-Pacific Commercial Conference will convene in Los Angeles. This would give the delegates to the Sixth Western Divisional meeting of the Chamber of Commerce of the U. S. an opportunity to meet the overseas delegation, then return to their coast city Chambers and arrange for the one day sessions that it is expected will follow the Los Angeles meet, San Francisco, Portland, Seattle, Tacoma and other Pacific Coast Chambers, expressing a desire that the overseas delegates visit them for a series of brief business sessions.

The Chamber of Commerce of the U. S. A. is providing the Pan-Pacific Union with its publications that should be of interest to visiting delegates or delegations to the Second Pan-Pacific Commercial Congress, and these may be secured singly or in bulk through the Pan-Pacific Union.

The leading papers read at the Honolulu meeting of the Western Division of the Chamber of Commerce of the U. S. A. provide such a splendid model for the delegations preparing to attend the Los Angeles meet that these are published in the current number of the Mid-Pacific Magazine with the suggestion that the National Chamber of Commerce in each Pacific country appoint the proper men to prepare kindred papers for each section of the Pacific. These papers should be forwarded to the Pan-Pacific Union that they may be printed and distributed to the press of the Pacific for release and publication on the days of their delivery to the Conference.

In Hawaii the following papers have been suggested for advance publication that delegates from other lands may be informed of the industries of Hawaii and their relation to those of other Pacific countries:

Papers From Hawaii

1. "Hawaii," by Gov. W. R. Farrington. Her Commercial Progress.
2. "The Story of the Hawaiian Sugar

Planters' Association," by John Waterhouse.

3. "The Work of the Hawaiian Sugar Planters' Association Experiment Station." A Symposium, by H. P. Agee, Director; O. H. Sweezy, entomologist; Guy Stewart, soil chemist; R. H. Van Zuwalenberg, nematologist.

4. "The Story of the Pineapple in Hawaii," by James D. Dole, President of Hawaiian Pineapple Co., and A. L. Dean, Director Hawaiian Pineapple Association Experiment Station.

5. "History of the Chinese Business Associations in Hawaii," by C. K. Ai.

6. "The Japanese Chamber of Commerce in Hawaii," by the president of the Japanese Chamber of Commerce.

7. "The Story of the Honolulu Chamber of Commerce," by Riley H. Allen, Vice-President Honolulu Chamber of Commerce.

8. "Banking in Hawaii," by L. Tenney Peck, President First National Bank of Hawaii.

9. "Food and Natural Resources of Hawaii," by Dr. Frederick Krauss, Agronomist University of Hawaii.

10. "Travel Facilities and the Story of the Hawaiian Tourist Bureau," George Armitage.

11. "Conservation of Natural Resources in Hawaii," by J. M. Westgate, Director Federal Agriculture Experiment Station.

12. "Health and Quarantine Problems in Hawaii," Nils P. Larsen, M. D., Director Queen's Hospital, and President Pan-Pacific Research Institute.

In like manner the delegations from each section are requested to select the outstanding topics they wish discussed and have prepared advance papers on these for distribution to the delegates that will attend the Los Angeles Conference.

It is at the request of the Los Angeles Chamber of Commerce that the Pan-Pacific Union will call together delegates to a Second Pan-Pacific Commercial Congress to be held in Los Angeles during the latter part of 1928. It might be well, therefore, that the general tentative

agenda for this second Pan-Pacific Commercial Congress be again sent to the proper business organizations in each Pacific country that a beginning be made in the research work necessary in gathering the information that may profitably be presented at the Congress, and that selection of delegates be made from those who can most ably present the papers and problems assigned them.

The following has been prepared as a tentative agenda for approval and revision by the business men of the Pacific.

Tentative Agenda

For the Second Pan-Pacific Commercial Congress, Los Angeles, December, 1928.

First Day—First session: Review of Commercial Progress in My Country since the First Pan-Pacific Commercial Conference was held in 1922. (One speaker from each country.)

Second session: Outstanding Commercial Problems of My Country. (One speaker from each country to present a brief paper.) Longer papers may be presented in addition for publication.

Second Day—First session: International Relations: Commercial arbitration, cooperation, uniformity in weights and measures, and coinage in the Pacific area. A common commercial language, and a Pan-Pacific Chamber of Commerce.

Second session: Communications: Survey of cable and wireless facilities. Fixing responsibilities. Establishment of lower special rates and making possible exchange of news for the betterment of cordial relations between Pacific peoples. Post rates, the press of the Pacific.

Third Day—First session: Passenger Transportation and Good Roads: Transportation by rail, steamship, motor, air, and other methods. Good roads and their value to commerce. Round the Pacific commercial routes. Tourist bureaus.

Second session: Freight Transportation and Storage: Analysis of present trade routes and development of new routes. Desirability of free zones. Standardization of freight rates. Terminal facilities; cold storage and dehydration. Loading and unloading, packing.

Fourth Day—First session: Finance, Foreign Investment: Banking in the Pacific and the possibilities of a Pan-Pacific bank as clearing house. Investments in the Pacific. Insurance. Methods to be followed for relieving exchange difficulties. Need of greater uniformity in bills of exchange and other commercial documents. Terms of credit in Pan-Pacific area as an aid to foreign trade. Standardization of trade certificates and how to insure reliability. A uniform decimal currency. Claims in general.

Second session: Development and Conservation of Natural Resources; Engineering Problems: Water power, irrigation problems; fuel resources; flood control.

Fifth Day—First session: Food Resources in the Pacific: Conservation of the Pacific fisheries; rice; sugar; wheat.

Second session: Labor: Form of contracts.

Sixth Day—First session: A Pan-Pacific Economic Commission: Its work. A scientific study of Pan-Pacific natural resources. The chemist and the factory. The entomologist and agriculture. The health of the commercial army.

Closing banquet or lunch. Permanent organization, resolutions and recommendations.

The Director of the Pan-Pacific Union was requested to send the agenda around the Pacific and request the organization of commercial councils in each country, and that these select the delegates who will prepare the needed papers for presentation at the conference.

As soon as the actual dates of the Los Angeles and Pasadena conferences are definitely fixed the Pan-Pacific Union, following usual precedent, will request the State Department of the United States to transmit its invitation to the governments of the Pacific to send delegations of their leading business men.

In the meantime it is urged that the Chambers of Commerce and other business organizations in Pacific lands cooperate in selecting delegates who will prepare papers.

Common Sense in International Relations

Mrs. Claude N. Gilson, lecturer to club women in America, recently pointed the real way to mutual understanding in the Pacific area. The advice, or suggestion, came in an address before the Pan-Pacific Club of Tokyo.

Mrs. Gilson was introduced by Prince Tokugawa, who said:

"Our next speaker is Mrs. Gilson, who is a well known lecturer among the club women of America, and is interested especially on questions concerning foreign relations, political and social matters. I am particularly pleased to ask her to address us because she happened to be on the same steamer as my son, who has just returned from Sydney, and I want to know if my son behaved himself and if she found him a good companion."

Mrs. Claude N. Gilson, in her address, said:

"I think I might begin by saying that on the ship Mr. Tokugawa has carried out the high traditions of the Tokugawa clan.

"I am one of those people who come to Japan, one of those birds of passage, getting acquainted with everything Japanese in one month, and then go back and tell the rest of the world about it, but even a sandwich is good when there is no meal.

GOLDEN WORDS OF WISDOM

"Just before the luncheon one of the members of the Pan-Pacific Club said to me that you talk about everything except politics, that everybody can express views except about politics. That reminded me of what an Englishman in Manchester once said. He asked, 'Why is it that people in the world are so stupid as to try to organise internationally first on the basis of politics, because they quarrel more easily on politics than anything, whereas if they organised on

some other basis, even if they intend getting round to politics eventually, they might have some hope of being successful in their organising.' Such an organisation as this Pan-Pacific Club must be of enormous value to Tokyo and the world as an example.

"In my city of Boston we have an art museum which contains some very remarkable and interesting collections of Japanese objects of art. They are old collections, made with loving care and at a time when it was more easy to obtain such treasures than it is now. So I have been fortunate in that I have lived in the atmosphere of that art museum and have had an opportunity of learning something of the wonderful things of Japan. The truth of the matter is that those who go to Japan and have to come away quickly really are able to feel that Japan has provided them with a background for the study of Japan for the rest of their lives. Every time I read anything whatever on any Japanese subject I shall be able to see it in pictures, and that is a thing a person who has not been here can never do. That is why it is good for us Americans to make these rapid journeys around the world.

"You are doing much for the stranger in Tokyo, and your courtesy to him as he wanders about your streets is marvelous. I have traveled in Russia and eastern Europe and in South America, but it would have been useless to give me written directions to the places I wanted to see because the vast majority of the people cannot read and write. Here in Japan, though, at the hotel I have been given a written statement in Japanese to assist me, and whenever I have shown it to a passerby in the street he has been able to read it and help me out.

The Pan-Pacific Union Comes of Age

An Editorial from the Honolulu Advertiser.

The Pan-Pacific Union is approaching the twenty-first anniversary of its inception. It was born in Honolulu with the leading men of all Pacific races in Hawaii at its helm. The Honorable Walter Francis Frear, then Governor of Hawaii, was the first President and is now Vice-President of the organization, with Governor Wallace R. Farrington as President. Latterly, the heads of all Pacific Governments have become Honorary Presidents and ten of the thirty trustees are selected from men of ability residing in Pacific lands.

After all these years of activity has the Pan-Pacific Union solved the so-called racial problems of the Pacific? Does it find that the several races really care to mix and mingle?

The experience of the Pan-Pacific Union with twenty-one years of never-ceasing, vigorous effort behind enables it to give only a qualified answer. It pictures conditions that seem to indicate that the races do not care to mix except on special and conspicuous occasions; that the men of each nationality have a God-given race pride that makes them wish to keep with their own people. This desire, it finds also, binds in groups those that are commercially minded, those that are academicians; those who are democratic, as well as those of each profession, engineers, attorneys, and in medicine, going even further in segregation, the physicians and surgeons, each forms its own specialized group.

Large, promiscuous, inter-racial gatherings organized by the Pan-Pacific Union, it was found, quickly divided into their own specialized groups, and as such did their best work for the general cause of mutual understanding. After years of experience, the Union encourages this on the ground that it is better to have a thousand organizations working for better understanding, each with ten leading

workers, than to have one autocratic body with but a dozen leaders. The Pan-Pacific Union has tried both the mass and the group methods, and it ought to know.

In Hawaii the Pan-Pacific Union has called the races together, then specified sections of each race until it has built up an inter-racial machine that functions smoothly. Hawaii, where all peoples of the Pacific meet and mingle, was used as a racial experiment station for trying out on a small scale problems that must be solved on a world scale; so it called local groups together. Next, in like manner the Pan-Pacific Union brought together from every country about the greatest of oceans the scientists of the Pacific, launching their now successful and autonomous Pan-Pacific Science Conference body.

It called and organized from the four quarters of OUR SEA the first Pan-Pacific Educational Conference; President Coolidge calling the second. It organized the Pan-Pacific Y. M. C. A. Congress, out of which grew the Institute of Pacific Relations. It organized the Pan-Pacific Research Institution, out of which grew the local Hawaiian Academy of Science. It has gotten the Commercial men of our ocean together, out of which promises to grow a Pan-Pacific Chamber of Commerce, and is now organizing the women and medical men of the Pacific, getting them together, financing their first gatherings, then giving them its blessing, it hopes, as permanent and independent working organizations, free of the Union and self-supporting, to call their own future gatherings.

The work of the Pan-Pacific Union is to organize those in each line of thought and action, (men of kindred minds) into their own groups and to start them off for the good of the whole. In this work the Pan-Pacific Union has been tre-

mendously successful in the twenty-one years of its endeavors.

Every year new experiments in men have been tried. Even fifteen years ago the Pan-Pacific Union held mass interracial gatherings in the gymnasium of the Y. M. C. A. Here gathered at lunch together men of all races. Often hundreds were present at these weekly lunches. What happened? The groups separated. The Japanese, under Consul-General Moroi, a director of the Union, formed the Japanese Thursday Club, the Filipinos asked the Union to organize them into a Rizal Association. The Chinese organized into a Good Relations Club of the Union, and in time each race had its own meeting place and day. Out of these meetings grew the plans for the Nuuanu or Pan-Pacific Y. M. C. A. building that so well takes care of the Orientals in Y. M. C. A. work.

Did the Pan-Pacific Union dispair? It did not. It bowed to the will of the races and through the Pan-Pacific Club proceeded to reorganize on the basis of gathering groups of groups. Today, at its lunches, again attended by hundreds, it has the members of the Hawaiian Civic Club at one table, a group from the Japanese Civic Club at another, the Chinese Civic members at another, the Filipinos have their table, the Koreans theirs, the Haoles theirs, and everyone is happy.

Some of the keenly academic, seeing these group tables, suggested mixed tables, so Japanese-American tables, Chinese-American, and Filipino-American tables were organized with seats for four of each race, yet the members of the different races filed into the big banquet hall and filled their own group tables, practically ignoring the liaison tables. The feeling is perfectly friendly, for the mixture of races takes place, before the lunch, out in the lobby where the men and women of every Pacific race meet, make new acquaintances and plan together, but when these sit down to their meal it is preferably in groups of

their own. Not only do the racial groups seem to prefer to keep to themselves, but the scientists gather at their table, the medical men at another table, the engineers at their table, the women at theirs, and the only way the old Guard of the Outrigger Club and the Athletes were finally brought together was by giving them a table to themselves; and so with the mountain climbers and others. This is a world of specialized groups.

The Pan-Pacific Club of Honolulu, the local expression of the Pan-Pacific Union, is probably the most democratic body ever organized. The Union has its official charter and carefully selected Board of Trustees, but in the Club nobody knows, nor cares, who is its president. Fifteen years ago a charter and by-laws were carefully prepared for the Club and then ceremoniously burned, so the Club can do anything it wishes to, and it does, while the Union can go only as directed.

Today, the Pan-Pacific Club is really an association, a clearing house of the racial organizations of Hawaii. Its Monday lunches are the most largely attended in Honolulu, and here the men and women of every Pacific race actually meet and mingle. There *are* tables of a Cosmopolitan cast, but they are few. The women mix more freely than the men, and this is also true across our ocean, in the Orient. In Tokyo the Pan-Pacific Club of that city has met every Friday at lunch for many years; the sessions are in English, and this is probably the greatest international open forum in the Pacific area. Ambassadors and ministers from every Pacific land and from further abroad are regular speakers at these lunches. The addresses are carefully prepared and of high grade. The intellectuals of all races in Tokyo attend these lunches. The addresses are invariably published in the organ of the Union, the Mid-Pacific Magazine. Recently, women members have been admitted—others bring in friends of all races.

It was but a year ago, however, that another Pan-Pacific Club in Tokyo was organized of the younger groups of men. They took the name of Pan-Pacific Good Relations Club, and selected Wednesday as their luncheon day. Japanese is the language, and only those who speak Japanese are eligible for membership. Sometimes, however, the two Clubs have joint meetings when the speeches are translated from Japanese to English and English into Japanese. The Universities are organizing their own Pan-Pacific luncheon Clubs, and the Scientists theirs, and so it goes.

In Shanghai, China, it took a number of years to persuade the Pan-Pacific Club to admit resident Japanese to membership. Today it has a large membership of men and women of all races and publishes its own magazine.

Taking all in all, the Pan-Pacific Union has in twenty-one years of experimental work pointed out the way to racial harmony. It seems to eschew entirely the "better-than-thou" attitude, and when its members wish to meet in racial groups says to them "All right, do as you please," and they do. The Union sets out to discover the things all races can agree upon

in common for their general advancement and relies on the good, hard, common sense of the common people to lead the way, then marches on with the multitude to the goal of mutual understanding.

The Pan-Pacific Club lunches are wonderful gatherings. They are studies in racial harmony and there has never been discord in these meetings, for as soon as there is disagreement in sight the subject is changed. The Pan-Pacific Union seems to take the attitude that, after all, the only great problem of the Pacific is the Anglo-Saxon, and it does not even advise his elimination. He has become one of the great Pacific races, and one of the racial units of the whole, and seems quite content to aid and help in preaching the doctrine of "A Patriotism of the Pacific." He, also, has a tremendous pride in this "Our Ocean," about the shores of which lives half the population of the globe.

The Pan-Pacific Union seems to seek to solve racial problems of the Pacific by ignoring them, and strangely enough, given time, they do seem to solve themselves. All power to the Pan-Pacific Union.

The Pan-Pacific Debating Team

The Pan-Pacific Debating Team will leave Hawaii for the Orient on the Taiyo Maru, May 1st. Some seventeen universities in Tokyo have organized a reception committee and a series of oratorical cantests are being arranged.

The team, Walter Mihata, Captain, Japanese; Aho Chung, Chinese; and Stowell Wright, American, are all mem-

bers of The Pan-Pacific Cosmopolitan Club of the University of Hawaii. The team will visit Japan, China and the Philippines, with a possibility that the voyage will be continued around the Pacific as invitations from the universities of both Australia and New Zealand have been received through The Pan-Pacific Union.

The Good Will Industries

It is a splendid thing to have the secretary of the "Good Will Industries" carry the story of that work around the Pacific. Recently, Mrs. Clide C. Douglas, special secretary of the organization, addressed the Pan-Pacific Club of Tokyo, being introduced by Prince Tokugawa. In addressing the Club members, she said:

"I want to thank you for the honour and pleasure today of telling you about the greatest philanthropy that the world has ever known, the Good Will Industries. I do not need to tell you that there are always more than a million people out of work in the United States, and in that number there are the blind and the crippled and the helpless and those who need work, and all of them could not take a real job if it were offered to them. To these people the Good Will Industries minister, and give them not charity but a chance, which is our motto. There are from 40 to 50 Good Will Industries throughout the United States, beginning with Boston down to New York City, then on to Chicago, then Seattle, and down the Pacific Coast to San Francisco and Los Angeles, and in these different places people are given work from the refuse, from things other people throw away.

"My subject is the 'Magic Rag Bag,' and I have brought with me a Japanese magic rag bag. These bags, 90,000 of them, are in homes everywhere, and I want to show you what you can put into a goodwill bag that will give life and health and a chance to people, out of the things you throw away. The first thing I extract is a shirt. This can be mended by some poor old Japanese lady. It will then be sold, and the money received will go to pay her, so that she gets not charity, but a chance. The next thing is an old magazine, and all old papers and old rags are valuable and can be sold. Here is a child's parasol—it can be dry

cleaned and will give someone a job to do that, after which it will be sold in a store to pay the wages. This is a necktie. In Los Angeles we have two old ladies who do nothing but iron neckties all day. A piece of old rag—perhaps it will make a quilt to keep somebody warm. Stockings can be mended—in Los Angeles we have one lady who sewed altogether 7,000 pairs of stockings in one month. Furushiki we do not have in Los Angeles (I wish we did), but they can be sold as rags. An old hat would go to the millinery department and be made as good as new. Toys and school things find a ready sale in the stores; dresses can be cleaned and washed, collars and suspenders are all useful, and shoes can be repaired and then sold in the stores. Men who learned to repair shoes at the Good Will Industries now own their own shops. We have helped to teach them how to earn a living, and as soon as they are able to go out and get a better job we help to find it for them. Then others come in and take their places. Everything from the rag bag is useful—we take anything except tin cans.

"I cannot take you through the 25 different departments doing 66 different things, but all the time we are helping the poor people to do something for themselves, to reach a little higher. We have little services, and last year we invited in 165 preachers. They had 165 different kinds of talk, so there was no preponderance of any kind of religion. We have educational classes, where foreign women are taught to read and write; we have a girls' club, chiefly for Mexican girls, and there is a women's club for the English speaking women. Every day we have 500 men in our men's club, where they can read and write, have a bath for 10 cents or take off their one and only and wash it, and get a dinner."

The International Chamber of Commerce

Excerpts from an Address by William Butterworth at the Fifth Western Divisional Meeting, Chamber of Commerce of U. S. A., Honolulu, Hawaii, February 9, 1928.

(The organization of a Pan-Pacific Chamber of Commerce will be discussed at the Pan-Pacific Commercial Congress in Los Angeles in December, 1928. This information by the International Chamber is of value as a Pan-Pacific Chamber would at least cooperate with, if not organized, as a part of the International Chamber.)

The idea of an International Chamber of Commerce, instead of a series of Congresses of Chambers, had its origin in the International Trade Conference held at Atlantic City in October, 1919, attended by representative business men from Belgium, France, Great Britain and Italy, on the invitation of the Chamber of Commerce of the United States. Out of this Trade Conference came a development of plans for establishing a permanent international organization. A committee of American, British, French, Italian and Belgian business men appointed at that time, came together at Paris in June, 1920, and organized the International Chamber of Commerce.

The function and organization of the Chamber as expressed in its constitution are as follows:

"To facilitate the commercial intercourse of countries, to secure harmony of action on all international questions affecting finance, industry and commerce, to encourage progress and to promote peace and cordial relations between countries and their citizens by the cooperation of business men and organizations, devoted to the development of commerce and industry.

"The International Chamber is a confederation of the many economic forces of the countries included in its membership, united in each country by a national organization.

"Its principal features are: A council; general meetings; national committees; international headquarters.

"Its means of action are: Conference of experts; referenda; inquiries of economic nature and publications of the results thereof; such other means of action as may from time to time be found desirable."

In general the functions of the international headquarters are:

1. To carry out the specific instructions of the general meetings and the council.
2. To organize the administrative work of the council and committees
3. To conduct a campaign of education regarding matters of international business interest.
4. To provide a service of research and information.
5. In general to maintain the closest possible contact with the members, both directly and through the national committees.

The International Chamber has indeed a full program prior to its next biennial Congress at Amsterdam in 1929. The work of the committee has been reorganized and placed under four groups: Industry and Trade; Finance; Transport and Communications and Legal Matters. The group on Industry and Trade includes the work of Trade Barriers which will be handled by a central committee aimed to coordinate the work of the five subcommittees which propose to review exhaustively the questions of commercial policy, freedom of exchange of raw materials; customs questions and the treatment of foreigners and which propose to assemble and study certain statistical material under the direction of a special committee on industrial statistics. The com-

mittees on international settlements and assisted schemes in the finance group have been reorganized to form one committee on international settlements and economic information and proposes to develop factual material which will give a clear understanding of the forces at work in, and the results accruing from the large transfers of capital occurring now and within the next two years between the nations of the world.

It is unnecessary to emphasize to this group the importance which the work has to the West. They are indeed fully alive to the benefits which accrue from foreign trade and the settlement of vital international economic questions. The splendid harbors of Seattle, Portland, San Francisco and Los Angeles give striking evidence of the dominant posi-

tion taken by the West in world trade. The steady shift of international markets from Europe to the Far East and South America reflected in the recent entry of Australia and India to the Council of the International Chamber and the growing participation of Japan and our neighbors to the south in this great business men's organization, reveal a vision of the problems which bear the most vital implications for the Western states of our country. The world looks to the International Chamber to voice the opinion of world business and the International Chamber and the American section turn to the West for an intelligent solution of the growing number of questions touching the vital economic problems which spring from the complexities of the Orient.

Delegates to the Pan-Pacific Women's Conference

Delegates to the Pan-Pacific Women's Conference, to be held in Honolulu in August, 9 to 19, twenty-five from each country around the Pacific, are being housed and taken care of during the sessions of the conference by the Pan-Pacific committee in Hawaii. An invitation from the Pan-Pacific Union to each Pacific country to participate in this conference is being transmitted to the appropriate diplomatic officers in Washington by the State Department of the United States on behalf of the Union, under whose auspices the conference is held, with the explanation that the conference is unofficial and its findings in no way binding on any country.

The twenty-five voting delegates from the United States mainland are being chosen by an international committee in Hawaii representing the five sections of the program, Health, Education, Women in Industry and the Professions,

Women in Government, and Social Service, each section head choosing five outstanding women in her line of work. Each of the twenty-five voting delegates receives a formal invitation from Hon. Wallace R. Farrington, Governor of the Territory of Hawaii, who is also president of the Pan-Pacific Union.

In addition to the twenty-five delegates from each country, there may be two non-voting associate delegates from important women's organizations. For these, however, the central committee in Hawaii assumes no responsibility for entertainment, although the general meetings are open to all associate delegates.

A number of visitors and observers from around the Pacific are planning to visit Hawaii during the time of the Womens' Conference, and to them, as well as the public in general, the majority of the meetings will be open.

School Hygiene in New Zealand

(An Advance Paper Prepared for the Pan-Pacific Women's Conference.)

By DR. ADA G. PATERSON, M. B., Ch. B.L.,

Director, School Hygiene, Department of Health, New Zealand.

School medical work in New Zealand is carried out by the Division of School Hygiene, which is responsible for the supervision of all measures for safeguarding the health of school children and for ensuring a satisfactory environment at school.

The School Medical Service in New Zealand was placed on a definite basis in 1912 when three full-time School Medical Officers were appointed. Previous to that time the only regular examinations that were made of school children in New Zealand were in respect of scholars attending some of the larger secondary schools and private schools. The School Medical Officers were, at first, officers of the Education Department, but in 1921 the Service was transferred to the Health Department. There is now a permanent staff consisting of a Director, twelve School Medical Officers and thirty-one School Nurses.

The Health Act, 1920, Section 139, gives the necessary authority for the medical examination of children attending the primary schools, but the duties and powers of the School Medical Officers are defined in the Education Act, 1914, Section 134.

The School Medical Service aims at securing for each child three complete physical examinations during his school life, but special examinations are carried out when parents, teachers, or the School Medical Officers consider them necessary. Children found to be suffering from defect are kept under observation until the necessary treatment is obtained. It is recognized that medical treatment must be available for every child in need of it, and that adequate provision must be made for the ill-nourished and neglected. Mentally backward and feeble-minded children are given special consideration, arrangements being made for their entrance

to special classes, special schools, or other institutions as circumstances indicate.

The School Medical Service works in close cooperation with the Child Welfare Branch of the Education Department under the supervision of which are all measures for the protection of destitute and neglected children, also the regulations governing juvenile employment. It also cooperates with the officers of the Education Department in the supervision of school buildings and sanitation. Though all newer schools make excellent provision for ventilation, there has been in recent years a strong movement in favour of open-air schools and many of the recently erected buildings are of that type.

School Medical Officers are responsible for the medical examination of all candidates for entrance to the teaching profession.

Until this year the work of the Division was confined to the State primary schools, comprising approximately some 250,000 pupils, but as the result of the medical examination of entrant teachers indicated the desirability of examining candidates and giving vocational guidance at an earlier stage of their educational career, arrangements have been made by which all applicants for entrance to the teaching profession are examined one or two years before the termination of their secondary school life. By this means unsuitable candidates are rejected at a time when they are able to devote themselves to preparing for another means of livelihood. The work of the service is also being extended to include the examination of the pre-school child.

The results of examinations have amply demonstrated the necessity for the work of inspection. Though it has been clearly shown that the average of defect found in New Zealand children is less than in

countries of older civilization, still there is a great deal to be achieved. The work of the Service is essentially preventive and educational. This latter aspect is particularly important as the object is to instruct the pupil while at his most impressionable age as to the essential principles of correct living. Many thousands of pamphlets giving advice in simple language on health topics are distributed annually and many popular lectures on health matters are given by the School Medical Officers in various districts to teachers, parents, and children.

If defects are found, the practice of the School Medical Officer is to notify the parents of their existence, the choice of medical attendant being left entirely to the parents. If the parents are unable for financial reasons, or are too apathetic to obtain the necessary advice and treatment, it is the duty of the School Medical Service to see that it is carried out. This is done through the medium of the School Nurse, who acts as a link between the school and the home, the treatment being given at the nearest hospital. A great number of operations for minor defects are carried out at the public hospitals throughout New Zealand. Where the parent, either from home ties or physical disability, is unable to take the child to the hospital for necessary treatment, the School Nurse is available for undertaking this duty. In cities the percentage of treatment obtained is from 80 to 90 per cent of the number recommended for it, but in the country where facilities are fewer it is much less.

Apart from the routine duties mentioned above, there are other important aspects of the work of the Service. *Nutrition Classes and Health Camps*: For the benefit of children suffering from sub-normal nutrition, special classes have been established in several schools. The daily regime for children in these classes is supervised, special attention being given to the character of the food, the amount of rest taken, the time spent out of doors, etc. Good results have been obtained.

A successful feature of the work for

the benefit of delicate and under-nourished children has been the holding of annual Health Camps.

Goitre Prevention: It was realized some years ago that goitre was unduly prevalent in some parts of New Zealand, and to the School Medical Officers was entrusted the duty of carrying out a survey throughout New Zealand, in order to ascertain the distribution of the disease, the Professor of Preventive Medicine, Otago Medical School, acting in co-operation. In the schools of those areas where goitre was found to be endemic, preventive and curative treatment was inaugurated. This consists in the administration of one grain of potassium iodide once weekly for three periods of ten weeks in the year. The results of treatment have been beneficial.

The Control of Infectious Disease: The control of infectious disease in the schools is also a matter for which the School Medical Officer has to assume responsibility. This entails much routine work in close cooperation with the Medical Officer of Health.

For the purpose of lessening the incidence of, if not eradicating, diphtheria, a considerable amount of work has been done, firstly by popular education as to the value of preventive treatment for the disease, and secondly by the inoculation of several thousands of children with toxin antitoxin mixture. Immunization along these lines is being extended yearly.

The School Medical Officers in the course of their duties have made special studies of various aspects of child welfare. During the year 1926 the following special investigations were carried out: (1) an enquiry into the condition of rural school children; (2) an enquiry into the incidence of tuberculosis among children of New Zealand; (3) an investigation into the physical growth and mental attainment of New Zealand school children was carried out in cooperation with the Education Department. The findings resulting from these investigations will be found in the Annual Report of the Department of Health.

American Foreign Trade Leaders to Meet in Houston, Texas

(April 25, 26, 27)

(Note: James A. Farrell, President of the United States Steel Corporation and Chairman of the National Foreign Trade Council, has long been a friend of the Pan-Pacific Union and a believer in its work. He was to have been Chairman of the First Pan-Pacific Commercial Conference but was suddenly called away from the Pacific, across the Atlantic to Europe. It is expected that he and leading members of the National Foreign Trade Council will participate in the Pan-Pacific Commercial Conference meet in Los Angeles next December. Its gathering in Houston will be studied by those interested in the Los Angeles meet.)

Chairman James A. Farrell, in issuing the call for the Fifteenth National Foreign Trade Convention, states that the steady growth of the foreign trade of the United States in the last decade is a gratifying evidence of the success which American producers and traders have secured through study of the many phases of international commerce. It is as essential to be successful in merchandising as it is to be skillful in production.

In 1927, he says, the volume of our foreign trade amounting to 113,500,000 tons, was the largest in our history. It comprised over 71,000,000 tons in exports and a little less than 42,500,000 tons in imports.

The increase in our trade with Latin America is particularly noteworthy. That trade, in imports and exports, now amounts to close to \$2,000,000,000 or almost one-quarter of our total trade with the world. Its extension has been made possible by a steadily rising standard of merchandising on the part of those engaged in it, and its continued and permanent growth is assured.

Each year brings its own circumstances, discloses new problems, sets new precedents.

To give special attention and careful study to some of these questions the National Foreign Trade Council will hold

the Fifteenth National Foreign Trade Convention in Houston, Texas, on Wednesday, Thursday and Friday, April 25, 26, 27, 1928.

All those who are interested in the development of foreign trade as a factor of national prosperity, whether in agriculture, commerce, education, industry, finance or transportation, all Chambers of Commerce, boards of trade, national and state associations and other industrial and commercial organizations, as well as firms and individuals, are cordially invited to participate.

The cooperation of the Pan-Pacific Union is asked toward making this convention a success and toward giving it the representation of every section of the country and every factor of international commerce, and thus making its service nation-wide.

Mr. James A. Farrell has always been interested in the Conferences called by the Pan-Pacific Union, and it was his intention to have presided over the First Pan-Pacific Commercial Congress, held in Honolulu, in 1922, had he not been called to Europe. It is expected that Mr. Farrell and a number of the members of the National Foreign Trade Council will attend the Second Pan-Pacific Commercial Congress in Los Angeles in December 1928.

Pan-Pacific Ad Club Convention

Honolulu, June 1928

By HON. RAYMOND C. BROWN, Acting Governor of Hawaii.

(Note: The Ad Club of Honolulu has had a career of nearly a score of years. It was the first weekly luncheon club to be organized in Hawaii and for seven years was the one "get together" community organization. It made the people know each other and ran its membership up to a thousand. From June 10th to June 14th, the business sessions of the Ad Club convention in Honolulu will be held, when it is expected that a thousand Ad Club members from the mainland and their friends from across the Pacific will meet in friendly session.)

Many years ago a prediction pointed to the Pacific area as some day becoming a theatre for the staging of aggressive warfare unparalleled in the life of commerce. In view of the developments and continued progress of the area, those earlier predictions are being realized. It is obvious to anyone who had given thought to the area and had studied the relations that exist between nations bordering the Pacific, that the contemplated warfare was not to be one of arms, but of business acumen; an exchange of thought and development of contacts by business interests so as to establish in competition a friendly and cooperative spirit.

The twenty-fifth convention of the Pacific Advertising Club Association is to convene in Honolulu in June, when another link will then be welded into the chain to further cement nations of the Pacific in a spirit of friendliness and goodwill.

The theme of the Convention is to be:

"PAN-PACIFIC ADVERTISING AND MARKETING."

Development of the Pacific area has been pronounced during the past 25 years and commercial advancement of Hawaii can, without doubt, be viewed as a barometer indicating the relative advancement of our neighbor countries.

It would be gratifying if all the nations bordering the Pacific area would respond to the value of the coming Convention

and take advantage of the opportunity of meeting with representatives of the Pacific Advertising Clubs Association, all big business men, in an attempt to analyze the value of advertising and to discuss marketing problems.

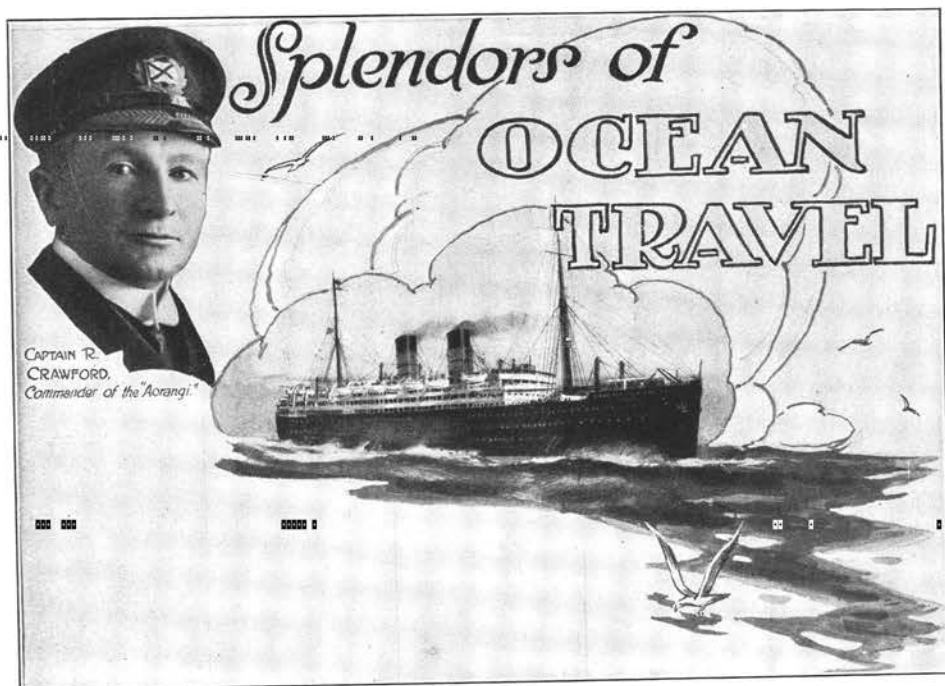
A number of conventions have been held in Honolulu, many of them under the auspices of the Pan-Pacific Union. That organization very early recognized the value of friendship and amity to good business and has performed a splendid service in the interest of good relations between peoples and between nations. Honolulu, located approximately mid-way between the East and West, and the North and South in the Pacific, is a natural point from which to radiate goodwill. It is the hope, therefore, that the highly essential elements of friendship in business and honesty in advertising will be recognized by our neighbors and that delegates will be designated to the Convention to radiate those elements as a contribution from their countries through the medium of the Pacific Advertising Clubs Association Convention.

All nations bordering the Pacific have something they desire to buy and something they desire to sell, and it would be highly gratifying if it could be known that through the good offices of the Pan-Pacific Union there may be enlisted a number of delegates who will come to Honolulu in June to meet in a friendly discussion of Pacific area problems.

ADVERTISING SECTION

THE MID-PACIFIC

1



M.S. "Aorangi," Queen of the Pacific.

From Vancouver via Honolulu, Suva, Auckland to Sydney

The Canadian-Australasian Royal Mail line of steamers maintains a regular four-weekly service by palatial steamers between the Canadian-Pacific Railway terminus at Vancouver, B. C., and Sydney, Australia, via Honolulu, Suva, Fiji, and Auckland, New Zealand.

In itself this is a South Sea cruise de luxe, but at Suva one may rest a bit, cruise by local steamer among the Fijian Islands, then take a Union Steam Ship Co. of New Zealand palatial flyer for a visit to Samoa, Tonga, and New Zealand, or if the trip by the Canadian-Australasian vessel is continued to Auckland, here again by the Union Steam Ship Co. vessels are cruised to every part of New Zealand, to the Cook Islands, or to Tahiti. In fact, one may return by these steamers to San Francisco via Papeete, Tahiti, with a stop-over at the famous French possession.

If the trip from Vancouver is continued to its terminus, Sydney, here again one may secure bookings on the

ADVT.

Union Steam Ship Co. boats for other cruises.

The Niagara of the Canadian-Australasian Royal Mail Line is one of the finest vessels afloat on the Pacific. The M.S. "Aorangi," the largest motorship in the world, makes the trip from Vancouver to Sydney in about three weeks.

Either from Australia or Canada there are tempting visits across the Pacific via the South Sea Islands. From Australia this is the richest and most comfortable route to London and the European Continent.

Both the Canadian-Australasian Royal Mail Line and the Union Steam Ship Co. of New Zealand have offices in the chief cities of the Pacific. In Honolulu, Theo. H. Davies & Co., Ltd., are the agents. The steamers of these lines are famous for their red smokestacks. In fact, this affiliated company is known as the Red Funnel Line. The red funnel is familiar in every port of Australia and the South Seas, to say nothing of California and Pacific Canada.

AROUND ABOUT HONOLULU



The Moana Hotel at Waikiki

The Territorial Hotel Company, Ltd., maintains the splendid tourist hotel at Waikiki Beach, the Moana, facing the surf, as well as the Seaside family hotel nearby, and the palatial Royal Hawaiian Hotel, with its golf links at Waialae.

The Honolulu Rapid Transit Co. maintains an electric train system to practically every portion of the city. The cars pass all of the hotels, so that visitors may reach the city, mountains, or the beach by the commodious open cars of the company, from which there is an ever-moving panorama of mountain, sea, and valley, besides visions of the loveliest city in the Pacific.

Ishii's Gardens, Pan-Pacific Park, on Kuakini street, near Nuuanu avenue, constitute one of the finest Japanese tea gardens imaginable. Here some wonderful Japanese dinners are served, and visitors are welcomed to the gardens at all times. Adjoining these gardens are the wonderful Liliuokalani gardens and the series of waterfalls. Phone 5611.

The City Transfer Company at 833 Nuuanu Street has its motor trucks meet all incoming steamers and it

gathers baggage from every part of the city for delivery to the out-going steamers. This company receives and puts in storage, until needed, excess baggage of visitors to Honolulu and finds many ways to serve its patrons.

The Honolulu Motor Coach Co., Ltd., has brought Schofield Barracks within hourly service of Honolulu. The busses leave on schedule time from the office in the yard of the Army and Navy Y. M. C. A. on Hotel Street, stopping at the Young Hotel. These spacious safety coaches are splendidly equipped and travelers enjoy every comfort and security during the delightful ride. Round the island and other trips can be arranged by calling phone 3666.

The Oahu Ice & Cold Storage Company has spacious buildings at Hustace and Cooke streets. It receives all kinds of fruit, meats and vegetables, where they may be kept in perfect condition for months at negligible cost and always ready to be drawn upon. This Company has erected buildings for its cold storage service that are a credit to any city and are well worth a visit. Telephone No. 6131.

About the Big Island

Twice a week the Inter-Island Steam Navigation Company dispatches its palatial steamer, the "Haleakala" to Hilo, leaving Honolulu at 4 P.M. on Tuesdays and Fridays, arriving at Hilo at 8 A.M. the next morning. This vessel leaves Hilo every Thursday and Sunday afternoon at four for Honolulu, a fifteen-hour run. From Honolulu, the Inter-Island Company dispatches almost daily excellent passenger vessels to the island of Maui and three times a week to the island of Kauai. There is no finer cruise in all the world than a visit to all of the Hawaiian Islands on the steamers of the Inter-Island Steam Navigation Company. The head offices in Honolulu are on Queen Street, where every information is available, or books on the different islands are sent on request. Tours of all the islands are arranged.

Connected with the Inter-Island Steam Navigation Company is the palatial Volcano House overlooking the everlasting house of fire, as the crater of Halemau-mau is justly named. A night's ride from Honolulu and an hour by automobile, and you are at the Volcano House, the only truly historic caravansary of the Hawaiian Islands, recently reconstructed and turned into a modern up-to-date hotel of luxury for the tourist and those from Honolulu and Hilo spending vacations at the Volcano.

Should you wish to continue at leisure your sightseeing or business trip around the Island of Hawaii, there are hotels every few miles.

Building on the Island of Hawaii.—The Hawaiian Contracting Company maintains working offices at the great Hilo pier, where all steamers discharge their freight for Hilo and the big island. This concern, with branches throughout the Territory, has for its aim building for permanency. It contracts for buildings and highway construction, having a corps of construction experts at its command. In Hilo, Frank H. West is in charge of the company's affairs.

ADVT.

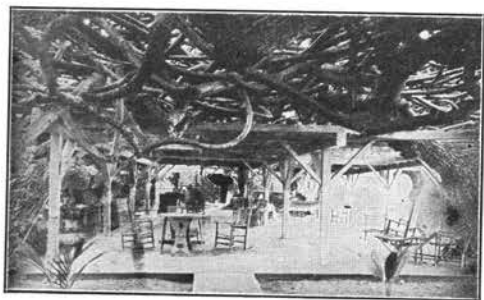
The Hilo Boarding School, Levi C. Lyman manager, is a school for boys which combines academic and industrial training. The afternoons are given to the learning of blacksmithing, carpentry, wood-turning, automobile polishing, printing, some crafts and agriculture. This is a forty acre farm. A crafts shop is maintained at 130 Kamehameha Avenue, and sales rooms of Hawaiian goods in koa, where the output of calabashes, ukuleles, trays and novelties in koa may be obtained. Prices of these or information about the school is sent on request.

The Bank of Bishop & Co., Ltd., has its Hilo branch at 12 Waianuenue Street with sub branches at Kealahou and at Alaa and Pahoa. Le Baron Gurney is the branch manager at Hilo, and the Bank of Bishop & Co. serves the Island of Hawaii through its branch at Hilo, as it does the entire group, from its palatial quarters in the modern up-to-date Damon building in Honolulu, named after the long-time president of the Bishop Bank.

The Honolulu Dairymen's Association, Ltd., is represented by Russell L. Ransom as manager in Hilo, with dairy at Piopio and Kamehameha Streets.

Hawaii's Famous Coffee.—The Captain Cook Coffee Company produces and handles the standard coffee of Hawaii, and this product, "Kona" Coffee, has become known the world over for its delicious mildness. The Captain Cook Coffee Company selects and ages its coffee beans until they are ready to give forth that delicious aroma that makes coffee grown within the radius of the spot where Captain Cook was slain, known to all devotees of good coffee. The agency for the Captain Cook Coffee Company in Honolulu is with the Henry Waterhouse Co.

HOME HOTELS IN HONOLULU



Famous Hau Tree Lanai

The Halekulani Hotel and Bungalows, 2199 Kalia Road, "on the Beach at Waikiki." Include Jack London's Bungalows and House Without a Key. Rates from \$5.00 per day to \$115.00 per month and up. American plan. Clifford Kimball.

At Child's Blaisdell Hotel and Restaurant, at Fort Street and Chaplain Lane, Child's Hotels and Apartment Service accommodations are masters at getting you settled in real home-like style. If you wish to live in town there is the Child's Blaisdell Hotel in the very heart of the city, with the palm garden restaurant where everything is served from a sandwich to an elegant six-course dinner.

Then on one of the choice spots of Waikiki Beach there is the Child Mari-gold Apartments, which are completely furnished little beach homes in themselves.

Vida Villa Hotel and cottages are on the King street car line above Thomas Square. This is the ideal location for those who go to the city in the morning and to the beach or golfing in the afternoon. The grounds are spacious and the rates reasonable. This hotel has been under the same management for a score of years, which speaks for itself. Both transient tourists and permanent guests are welcomed.

The Donna Hotel, 1286 S. Beretania, is delightfully situated within ten minutes' ride from the center of Honolulu. Here, amidst the surroundings of a sub-tropical park, one may enjoy all the comforts of home. The rooms in the main buildings or in one of the attractive screened cottages are cheery, well-furnished, and have hot and cold running water. The delicious home cooked meals are served at little cozy tables which are grouped about an artistically decorated open lanai. Permanent rates are \$65 a month or \$3.00 a day and up.

Gray's by the Sea is one of the most delightful estates facing the surf at Waikiki, a desirable family hotel in tropical surroundings. Cottages for two, three or four may be had at moderate prices, with the very best of sea bathing right at the door. Tourists as well as permanent guests receive a cordial welcome. La Vancha M. Gray, proprietor.

The MacDonald Hotel is a stately mansion surrounded by cottages amid sub-tropical foliage. It is located at 1402 Punahou Street in the great residence district of Honolulu. There are tennis courts on the grounds, and the transient as well as the permanent resident has here all the comforts of home at the reasonable rates of \$3 a day or \$65 a month. The guests enjoy delicious home-cooked meals, which are also served to outsiders. This hotel is near Central Union Church and Oahu College.

The Colonial Hotel and cottages on Emma street are in the midst of a delightful residence park district, on the car line, but within a moment's walk of the business center of the city. An excellent cuisine under skilled direction is maintained. Historic Honolulu is also but a moment's walk from the Colonial, and it is but a brief stroll to the hills.

Wonderful New Zealand

Scenically New Zealand is the world's wonderland. There is no other place in the world that offers such an aggregation of stupendous scenic wonders. The West Coast Sounds of New Zealand are in every way more magnificent and awe-inspiring than are the fjords of Norway.

New Zealand was the first country to perfect the government tourist bureau. She has built hotels and rest houses throughout the Dominion for the benefit of the tourist. New Zealand is splendidly served by the Government Railways, which sell the tourist for a very low rate, a ticket that entitles him to travel on any of the railways for from one to two months. Direct information may be secured by writing to the New Zealand Department of Tourist and Health Resorts, Wellington, New Zealand.



An ancient Maori stockade

SOUTH MANCHURIA RAILWAY COMPANY



Tangkangtzu Hot Springs.

HOT SPRINGS IN SOUTH MANCHURIA

Tangkangtzu ("Hot Water Hill"), is an attractive pleasure resort, possessing the typical characteristics of Manchuria. It is visited by increasing numbers of people annually, who go there for the baths and for the views on Chien-shan, one of the beauty spots of Manchuria. Within a day's walk of this spa is more delightful scenery than is found in any other district of the province.

Hsungyaocheng (Lit., "Bear Mt. Castle"), has not only hot springs, but also has the added attraction of pleasant nooks along the ADVT.

paths of the near-by mountains as an inducement for occasional picnics and rambles.

Wulungpei (Lit., "Five Dragons' Back") is a good health resort at all seasons. It is beautifully situated in park-like surroundings.

Thirty per cent reduced fare return tickets to these spas issued at the principal S. M. R. stations.

Write for illustrated booklets and for information generally (post free).

SOUTH MANCHURIA RAILWAY

Dairen Tokyo Shanghai Peking New York

LEADING AUTOMOBILES IN HAWAII

The P. M. Pond Company, with spacious quarters on Beretania and Alapai streets, act as distributors of the sturdy, low-priced car for the tropics, of the finest quality, the Studebaker Standard Six Duplex Phaeton, the most powerful car for its size and weight, with roller side enclosures giving protection in stormy weather by a move of the hand. The cash price of this exclusive car in Honolulu is \$1,485.00

The Universal Motor Co., Ltd., with spacious new buildings at 444 S. Beretania street, Phone 2397, is agent for the Ford car. All spare parts are kept in stock and statements of cost of repairs and replacements are given in advance so that you know just what the amount will be. The Ford is in a class by itself. The most economical and least expensive motor car in the world.

The Schuman Carriage Co., besides handling the Ford car, is agent for the Essex car, Honolulu price \$1,105, and the Hudson Super-Six, Honolulu price \$1,575. The Hudson-Essex is now the largest selling six-cylinder car in the world. On the island of Maui the Schuman Carriage Co. is represented at Wailuku by the Maui Motors Co., and on Kauai by the Garden Island Motor Co., Lihue.

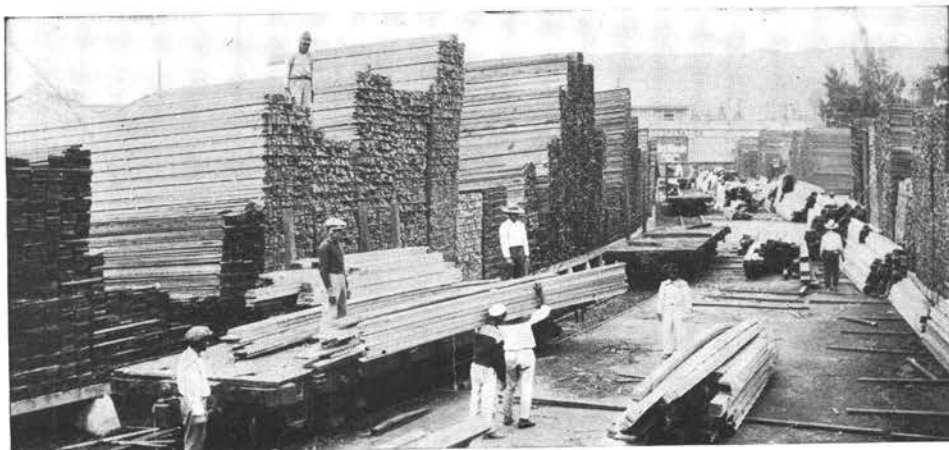
The Chrysler Four and Six Cylinder Cars, the culmination of all past experiences in building automobiles, is represented in Hawaii by the Honolulu Motors, Ltd., 850 S. Beretania street. The prices of Four Cylinder Cars range from \$1200 to \$1445 and those of the Six from \$1745 to \$2500. The Chryslers are meeting with remarkable sales records as a distinct departure in motor cars.

The von Hamm-Young Co., Ltd., Importers, Machinery Merchants, and leading automobile dealers, have their offices and store in the Alexander Young Building, at the corner of King and Bishop streets, and their magnificent automobile salesroom and garage just in the rear, facing on Alakea Street. Here one may find almost anything. Phone No. 6141.

The Royal Hawaiian Sales Co., with agencies in Honolulu, Hilo and Wailuku, has its spacious headquarters on Hotel and Alakea streets, Honolulu. This Company is Territorial Distributors for Star and Auburn passenger cars. They are Territorial Distributors also for International Motor Trucks, Delco-Remy service and Goodyear Tires.

The Graystone Garage, Ltd., at Beretania and Punchbowl streets, is agent for several exclusive cars: the Paige, the most beautiful car in America; the Jewett, "in all the world no car like this"; the Willys-Knight, a marvel of engineering in every detail, and the Overland, with bigger engine, bigger power, bigger comfort and bigger value than any. All of these cars may be seen and examined at the spacious ware-rooms.

The Hupmobile, fours and eights, is represented in Honolulu by Burgess & Johnson, Ltd., 237-243 S. Beretania Street. This is the first time Hupmobile has made a Six Cylinder and the motor-car buying public should see this car before making a decision on another make of car in its class. This firm also represents the Pierce-Arrow Motor Car Co. and the Reo Motor Car Co. In tires they find Mohawk Heavy-Duty Cords go farther.

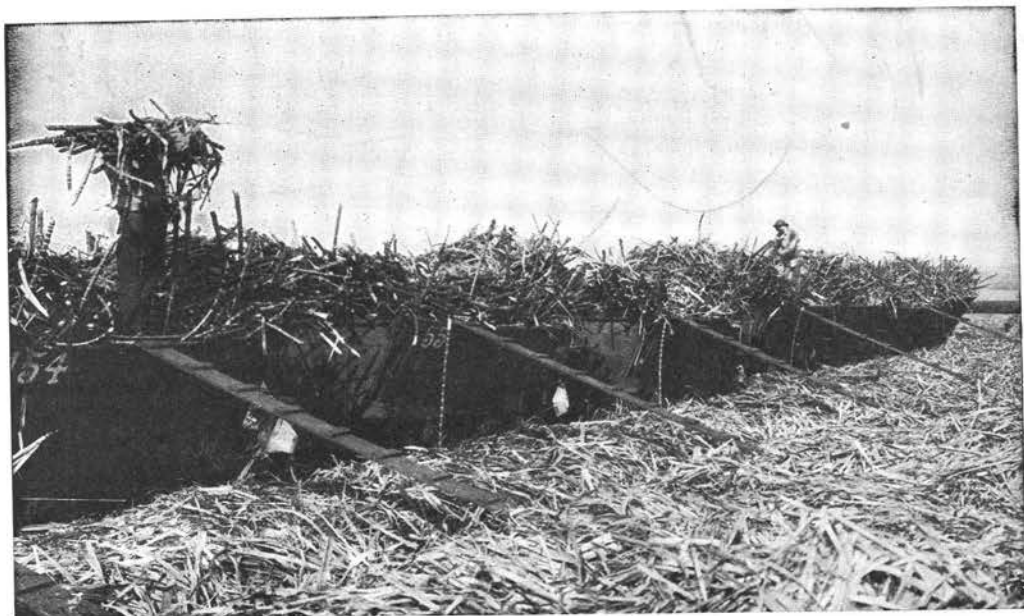


Lewers and Cooke, Ltd., Iwilei Yard

Lewers & Cooke, Limited, have, since 1852, been headquarters for all varieties of building material, lumber, hollow tile, cement, brick, hardwoods, oak flooring; as well as tools of the leading manufacturers, wall papers, Armstrong linoleums, domestic and oriental rugs, and the superior paints made by W. P. Fuller & Co.

They are also agents for many building specialties, Celotex, Colormix, Bish-opic Stucco, corrugated Zinc, Los Angeles Pressed Brick Company products and architectural Terra Cotta, David Lupton Sons Company, Steel Windows, the Kawneer Company line, and prepared roofings and roofing tile.

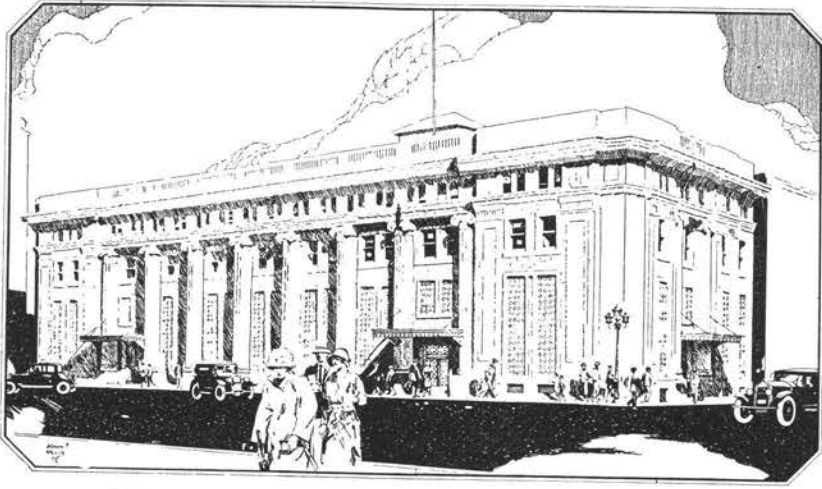
OAHU RAILWAY AND LAND COMPANY



Loading sugar cane on one of the plantations on the line of the Oahu Railway—the scenic route around the island from Honolulu.

ADVT.

MODERN BANKING IN HONOLULU



NEW HOME BANK OF BISHOP & CO., LTD.

The **S. M. Damon Building** pictured above is occupied by the Bank of Bishop & Co., the oldest bank in the Territory. Organized in 1858, the name Bishop & Co. has long been known by travelers for its service and welcome.
Bishop Street, Honolulu, T. H.

The **First National Bank** of Hawaii demonstrates the many ways in which a bank can serve. It has recently moved into its own building, one of the architectural splendors of Honolulu, on Bishop and Fort Streets, where both the First National Bank of Hawaii and the First American Savings and Trust Company of Hawaii, Ltd., closely affiliated with the First National Bank and functioning as a savings bank, are continuing their growing business in a home built to meet their exact requirements.

It was less than four months after Hawaii became a territory of the United States that the First National Bank of Hawaii opened its doors. During the war the First National Bank played a

prominent part in furthering the interests of the government in the various Liberty Loan drives and thrift campaigns in which its President, Mr. L. Tenney Peck, served as chairman of the Territorial Central Committee.

The **Bank of Hawaii, Limited**, incorporated in 1897, has reflected the solid, substantial growth of the islands since the period of annexation to the United States. Over this period its resources have grown to be the largest of any financial institution in the islands. In 1899 a savings department was added to its other banking facilities. Its home business office is at the corner of Bishop and King streets, and it maintains branches on the islands of Hawaii, Kauai, and Oahu, enabling it to give to the public an extremely efficient Banking Service.



THE WORLD'S MOST DELICIOUS PINEAPPLE

Canned Hawaiian Pineapple is considered by epicures to possess the finest flavor in the world. Because of exceedingly favorable conditions in soil and climate, and remarkable facilities for canning immediately the sun-ripened fruit, the Hawaiian product has attained a superiority enjoyed by no other canned fruit.

Crushed Hawaiian Pineapple is meeting favor because of its convenience in

cooking. It is identical with the sliced in quality and is canned by the same careful sanitary methods.

Many tasty recipes for serving Hawaiian Pineapple in delicious desserts, salads and refreshing drinks are suggested in a recipe book obtainable without cost at the Association of Hawaiian Pineapple Canners, P.O. Box 3166, Honolulu. Readers are urged to write, asking for this free book.



ADVT.

FERTILIZING THE SOIL

Millions of dollars are spent in Hawaii fertilizing the cane and pineapple fields.

The **Pacific Guano and Fertilizer Company**, with large works and warehouses in Honolulu, imports from every part of the Globe the many ship loads of ammonia, nitrates, potash, sulphur and guano that go to make the special fertilizers needed for the varied soils and conditions of the islands. Its chemists test the soils and then give the recipe for the particular blend of fertilizer that is needed.

This great industry is one of the results of successful sugar planting in Hawaii, and without fertilizing, sugar growing in the Hawaiian Islands could not be successful.

This company began operations in Midway Islands years ago, finally exhausting its guano beds, but securing others.



Banking and Business in Honolulu

The Hawaiian Trust Company, Limited, of Honolulu, is the oldest and largest trust company in the Territory of Hawaii. How successful it has become may be gathered from the fact that it has real and personal property under its control and management with a conservative, approximate value of \$50,000,000. The resources of this organization as of Dec. 31, 1927, amounted to \$3,718,923.49, with a capital stock of \$1,250,000.00; surplus, \$1,000,000.00; special reserve, \$50,000, and undivided profits, \$81,408.95, making the total surplus of resources over liabilities \$2,381,408.95. The full significance of these figures will appear when it is remembered that the laws of Hawaii provide that a Trust Company may not transact a banking business. Mr. E. D. Tenney is president and chairman of the board and Mr. J. R. Galt is senior vice-president and manager.

The International Trust Company, with offices on Merchant street, is, as its name indicates, a really Pan-Pacific financial organization, with leading American and Oriental business men conducting its affairs. Its capital stock is \$200,000 with resources of over \$500,000. It is the general agent for the John Hancock Mutual Life Insurance Company of Boston, and other insurance companies.

The Union Trust Company, Ltd., occupying a building on Alakea Street, between Hotel and King (1025 Alakea Street), was incorporated in 1921, engages in all lines of trust business, and as agents for individuals, firms and corporations, invites correspondence. Its resources are well over a million.

The Trent Trust Company, with spacious offices on Fort street, grew from the real estate and general agency business established in 1904 by Richard H. Trent, known as the Trent Company. It was incorporated in 1907 under its present name. With it is closely asso-

ADV.T.

ciated the mutual Building and Loan Society, which promotes and finances the building of homes.

The Bishop Trust Company, Limited, is one of the oldest and largest Trust Companies in Hawaii. It now shares with the Bishop Bank its new home on Bishop, King and Merchant Sts., known as the S. M. Damon Building, jointly owned and occupied by the Bishop Trust Company, Ltd., and the Bank of Bishop & Co., Ltd. One of the many attractive features of its new quarters is the Safe Deposit Vaults which are the largest, strongest and most convenient in the Territory.

The Henry Waterhouse Trust Co., Ltd., was established in 1897 by Henry Waterhouse, son of a pioneer, incorporated under the present name in 1902, Mr. Robert Shingle becoming president, and Mr. A. N. Campbell treasurer of the corporation. The company now has a paid-up capital of \$200,000 and a surplus of an almost equal amount. The spacious quarters occupied by the Henry Waterhouse Trust Co., Ltd., are on the corner of Fort and Merchant streets.

The Liberty Investment Company Ltd., at 942 Bethel Street, does a business in real estate, insurance loans and investments. It has successfully handled some of the choicest divisions in Hawaii including beautiful seaside coconut groves that have been cut up into choice building lots as well as city tracts that have been transformed into new residence areas for those who wish to own their own homes at a moderate price.

Pacific Trust Company, Ltd., in Honolulu, and the Baldwin Bank, Ltd., Kahului and Wailuku, Maui, are allied institutions. The combined assets of these two institutions amount to over four and a half million dollars. Pacific Trust Company, Ltd., has its offices at 185 S. King Street, in the Lewers & Cooke Building, and is growing rapidly under the careful management of a number of Honolulu's leading business men.



The Home Building in Honolulu of the American Factors, Ltd., Plantation Agents and Wholesale Merchants.



Tasseled sugar cane almost ready for the cutting and crushing at the mills.

ADVT.

ON FASHIONABLE FORT STREET

The commodious and palatial sales-rooms of **Jeffs Fashion Co., Incorporated**, Honolulu's leading establishment for women who set the pace in modern dress, is at the Mauka (Mountainward) Ewa corner of Fort and Beretania Streets, where all cars pass. This is the head and beginning of Honolulu's great shopping area on Fort Street. At "Jeffs" the fashions in women's dress in Honolulu are set, and here the tourist and visitor may outfit and be sure of appearing in the latest styles.

Diagonally across the street from "Jeffs" is **The Hawaii Photo Materials Co.**, the home of the "Brownie Camera," and every supply in films and photographs which the purchaser can conceive. Here may be secured the wonderful color photos of Hawaii that have made the islands famous.

The Office Supply Co., Ltd., on Fort street near King, is as its name denotes, the perfectly equipped store where every kind of office furniture and supplies are on display. This is the home of the Remington typewriter and of typewriter repairing. Offices are completely outfitted at quickest notice. The Company also maintains an up-to-date completely stocked sporting goods department.

There is one East Indian Store in Honolulu, and it has grown to occupy spacious quarters on Fort Street, No. 1150 Fort, Phone No. 2571. This is the headquarters for Oriental and East Indian curios as well as of Philippine embroideries, home-made laces, Manila hats, Oriental silks, pongees, carved ivories and Indian brass ware. An hour may well be spent in this East Indian Bazaar examining the art wares of Oriental beauty.

Bergstrom Music Company, the leading music store in Hawaii, is located at 1140 Fort Street. No home is complete in Honolulu without an ukulele, a piano and a Victor talking machine. The Bergstrom Music Company, with its big store on Fort Street, will provide you with these; a WEBER or a Steck piano

for your mansion, or a tiny upright Boudoir for your cottage; and if you are a transient it will rent you a piano. The Bergstrom Music Company, Phone 2294.

Hawaii Music Co., 1021 Fort Street, handles high grade pianos and Sonora Phonographs, together with a full line of Victor, Vocalion and Odeon Records by the best orchestras in Europe; but its specialty is the new Pathex Motion Picture Camera and Projector. The Pathex Camera takes motion pictures just as easily and at no greater cost than taking photographs, and you can screen them in your own home with your Pathex Projector. Camera and Projector complete with tripod and carrying case, \$102.50.

The Bailey Furniture Co., Ltd., are now displaying at their store, 1180 Fort Street, the finest line of furniture and draperies that Honolulu has ever seen. Their drapery department is under the able management of Mr. Moreido. He is a master Interior Decorator and is always pleased to submit plans for making your home "A Better Home." The famous Nachman Mattress is also a feature of this store. Try a Nachman for better sleep.

The "Flower Shop," at 1120 Fort Street, is Honolulu's leading floral establishment. It is a complete palace of flowers and well worth a visit, or you may call No. 2690 and have the choicest flowers sent to departing friends on the boat, or to acquaintances at home or in the hotels, or to weddings or funerals. The choicest gardens in Hawaii supply "The Flower Shop," and any flowers grown in the islands may be ordered.

E. O. Hall & Son, Hawaii's oldest and most reliable establishment, carries a large selection of golf and sporting goods, athletic outfitting, general hardware, household goods, and are distributors for the Sherwin-Williams line of paints. Their fishing tackle department carries a very fine line of deep sea rods, reels and lines of the finest manufacture. The big retail store is at the corner of Fort and Merchant Streets.

ALEXANDER & BALDWIN



A cane field in Hawaii years ago when the ox team was in use.

The firm of **Alexander & Baldwin, Ltd.**, (known by everyone as "A. & B.") is looked upon as one of the most progressive American corporations in Hawaii.

Alexander & Baldwin, Ltd., are agents for the largest sugar plantations of the Hawaiian Islands and second largest in the world, namely, the Hawaiian Commercial & Sugar Company at Puunene, Maui. They are also agents for many other plantations and concerns of the Islands, among which are the Maui Agricultural Company, Ltd., Hawaiian Sugar Company, McBryde Sugar Company, Ltd., Kahului Railway Company, Kauai Railway Company, Ltd., Baldwin Packers, Ltd., Kauai Fruit & Land Company, Ltd., Haleakala Ranch Co., and Ulupalakua Ranch, Ltd.

In addition to their extensive sugar plantations, they are also agents for the following well-known and strong insurance companies: American Alliance Insurance Association, Ltd., Commonwealth Insurance Company, Home Insurance Company of New York, Newark Fire Insurance Company, Springfield Fire and Marine Insurance Company, ADVT.

Union Insurance Society of Canton, Ltd., New Zealand Insurance Co., Ltd., Switzerland Marine Insurance Co.

The officers of this large and progressive firm, all of whom are staunch supporters of the Pan-Pacific and other movements which are for the good of Hawaii, are as follows:

Officers: W. M. Alexander, President; H. A. Baldwin, Vice-President; J. Waterhouse, Vice-President; W. O. Smith, Vice-President; C. R. Hemenway, Vice-President; J. P. Cooke, Treasurer; R. T. Rolph, Assistant-Treasurer; R. G. Bell, Assistant-Treasurer; R. E. Mist, Secretary; D. L. Olsen, Assistant-Secretary; G. G. Kinney, Auditor. Directors: W. M. Alexander, H. A. Baldwin, J. Waterhouse, W. O. Smith, C. R. Hemenway, F. F. Baldwin, J. R. Galt, H. K. Castle, E. R. Adams, R. T. Rolph, S. S. Peck, J. P. Winne, J. P. Cooke.

Besides the home office in the Stangenwald Building, Honolulu, Alexander & Baldwin, Ltd., maintain offices in Seattle, in the Melhorn Building and in the Matson Building, San Francisco.

INFORMATION ON HAWAII

Honolulu Paper Company, successor to "The Hawaiian News Co.," deals in Books of Hawaii. At Honolulu's largest and most fashionable book store, in the Alexander Young Building, all the latest books may be secured, especially those dealing with Hawaii.

Here the ultra-fashionable stationery of the latest design is always kept in stock together with the Royal and Corona typewriters, Merchant calculators and Sundstrand Adding Machines.

Here, also, music lovers will find a home for a complete line of musical instruments, including the Edison Phonograph and records.

This store is one of the show places of Hawaii in the very center of the great shopping district.

The Hawaii and South Sea Curio Store on Bishop street, in the Young Hotel is the largest and most varied curio store in Hawaii. It is open day and night, convenient to visitors, and has branches in both the Alexander Young Hotel and in the Moana Hotel at Waikiki.



The Island Curio Company, at 170 Hotel street, opposite the Alexander Young Hotel, is the home of Hawaiian curios, stamps, coins, souvenirs and post cards. This spacious art store is well worth a visit.

Sharp Signs have been known for half a century in Hawaii. "Tom" Sharp, as he is lovingly known to his thousands of friends, is an artist of no mean order, and has done many paintings in

oils that have been used for advertising purposes. What more natural than that "Tom" Sharp should be elected president of the "Ad" Club of Honolulu. Every kind of sign is painted, built, or manufactured in the work shop of Tom Sharp at Punchbowl and Beretania streets.

The Honolulu Dairymen's Association supplies the pure milk used for children and adults in Honolulu. It also supplies the city with ice cream for desserts. Its main office is in the Purity Inn at Beretania and Keeaumoku streets. The milk of the Honolulu Dairymen's Association is pure, it is rich, and it is pasteurized. The Association has had the experience of more than a generation, and it has called upon science in perfecting its plant and its methods of handling milk and delivering it in sealed bottles to its customers.

Stevedoring in Honolulu is attended to by the firm of **McCabe, Hamilton and Renny Co., Ltd.**, 20 South Queen Street. Men of almost every Pacific race are employed by this firm, and the men of each race seem fitted for some particular part of the work, so that quick and efficient is the loading and unloading of vessels in Honolulu.

Brown's Shoe Repairing Store on Union, off Hotel street, is the one absolutely responsible place of its kind in Honolulu. Mr. Brown, a shoe man of a quarter of a century's experience, is in personal charge and is known to all of Honolulu's leading residents and to visitors who have need of shoe repairing.

CASTLE & COOKE

The Matson Navigation Company, maintaining the premier ferry service between Honolulu and San Francisco, have their Hawaiian agencies with Castle & Cooke, Ltd., and here may be secured much varied information. Here also the tourist may secure in the folder racks, booklets and pamphlets descriptive of almost every part of the great ocean.

Castle & Cooke, Ltd., is one of the oldest and most reliable firms in Honolulu. It was founded in the early pioneer days and has been a part of the history

of the Hawaiian Islands. It acts as agent for some of the most productive plantations in the whole territory and has been marked by its progressive methods and all work connected with sugar production in Hawaii. It occupies a spacious building at the corner of Merchant and Bishop Streets, Honolulu. The ground floor is used as local passenger and freight offices of the Matson Navigation Company. The adjoining offices are used by the firm of their business as sugar factors and insurance agents; Phone 1251.

C. BREWER & COMPANY



C. Brewer & Company, Limited, Honolulu, with a capital stock of \$8,000,000, was established in 1826. It represents the following Sugar Plantations: Olowalu Company, Hilo Sugar Company, Onomea Sugar Company, Honomu Sugar Company, Wailuku Sugar Company, Pepeekeo Sugar Company, Waimanalo Sugar Company, Hakalau Plantation Company, Honolulu Plantation Company, Hawaiian Agricultural Company, Kilauea Sugar Plantation Company, Paauhau Sugar Plantation Company, Hutchinson Sugar Plantation Company, as well as the Baldwin Locomotive Works, Kapapala Ranch, and all kinds of insurance.
ADVT.



The Honolulu Construction & Draying Co., Ltd., Bishop and Halekauwila Sts., Phone 4981, dealers in crushed stone, cement, cement pipe, brick, stone tile, and explosives, have the largest and best equipped draying and storage company in the Islands, and are prepared to handle anything from the smallest package to pieces weighing up to forty tons.

The Waterhouse Co., Ltd., in the Alexander Young Building, on Bishop street, make office equipment their specialty, being the sole distributor for the National Cash Register Co., the Burroughs Adding Machine, the Art Metal Construction Co., the York Safe and Lock Company and the Underwood Typewriter Co. They carry in stock all kinds of steel desks and other equipment for the office, so that one might at a day's notice furnish his office safe against fire and all kinds of insects.

Allen & Robinson have for generations supplied the Hawaiian Islands with lumber and other building materials that are used for building in Hawaii; also paints. Their office and retail department are in their new quarters at the corner of Fort and Merchant Sts., Honolulu, where they have been since June 1, 1925. The lumber yards are located at Ala Moana and Ward Sts., where every kind of hard and soft wood grown on the Pacific Coast is landed by steamships that ply from Puget Sound, and other Pacific and East Coast ports.

ADVT.

Thayer Piano Co., Ltd., at 116 S Hotel St., is Honolulu's grand piano headquarters. In this new and spacious store may be tested the Steinway and other makes of grands as well as uprights and player pianos. Here one may obtain Brunswick and Victor phonographs and records from Brunswick, Victor and Columbia. They also handle a complete line of sheet music and band instruments. You will feel at home while doing your musical shopping at Thayer's.

Honolulu is so healthy that people don't usually die there, but when they do they phone in advance to **Henry H. Williams**, 1374 Nuuanu St., phone number 1408, and he arranges the after details. If you are a tourist and wish to be interred in your own plot on the mainland, Williams will embalm you; or he will arrange all details for interment in Honolulu. Don't leave the Paradise of the Pacific for any other, but if you must, let your friends talk it over with Williams

Honolulu as Advertised



The Liberty House, Hawaii's pioneer dry goods store, established in 1850; it has grown apace with the times until today it is an institution of service rivaling the most progressive mainland establishments in the matter of its merchandising policies and business efficiency.

The Mellen Associates, Successors to The Charles R. Frazier Company, oldest and most important advertising agency in the Pacific field, provide Honolulu and the entire Territory of Hawaii with an advertising and publicity service of a very high order. The organization, under the personal direction of George Mellen, maintains a staff of writers and artists of experience and exceptional ability, and departments for handling all routine work connected with placing of advertising locally, nationally or internationally. The organization is distinguished especially for originality in the creation and presentation of merchandising ideas.

The Honolulu Star-Bulletin, 125 Merchant Street, prints in its job department the Mid-Pacific Magazine, and that speaks for itself. The Honolulu Star-Bulletin, Ltd., conducts a complete commercial printing plant, where all the details of printing manufacture are performed. It issues Hawaii's leading evening newspaper and publishes many elaborate editions of books.

ADVT.

The Honolulu Advertiser is Hawaii's oldest newspaper and maintains a job department that has been built up with seventy years of effort of experience behind it. The Honolulu Advertiser gets out all kinds of half-tone and color work, prints books and publishes a number of periodicals. The leading morning newspaper of Hawaii, it holds a unique position.

The Honolulu Gas Company has been the pioneer in heating and in lighting the city. Honolulu is now a city of nearly a hundred thousand population and more than ever the people of the city cook with gas. The mains and pipes have been laid even in the outlying districts so that the Honolulu Gas Company helps the city to grow.

The main office of this company is on Hotel Street near Fort, with extensive warehouses and repair shops in other parts of the city. Gas is less expensive in Honolulu than in almost any other city of its size in America. The gas is made from oil brought from California and develops splendid lighting and heating qualities.

The Architects and Engineers of Hawaii

The Architects Society of Hawaii has organized that the people of the Territory may be kept informed as to what the architects established in Hawaii have done, what they are capable of doing, and why employment of their services should be profitable to those who build in Hawaii.

Examples of the work of Honolulu architects may be seen in the city and throughout the islands. Call 4476 or 4468 for a list of residences and commercial buildings designed and decorated by local architects and see for yourself what they are doing.

The architects of Hawaii are sincere in their stand that the difference between a house and a home is decoration. Four walls and a roof make a house. When they are arranged and augmented in a decorative way that subtly expresses the personality of the family, they become a home.

Architects in Honolulu become acquainted with you. They can and will consult with you on every development of the house that is to be your home, not only in its larger phases, which make it suitable to the island climate and habits of life, but in its decorative features.

Many of the finest residences and business and public buildings in Hawaii are the creation of those who constitute the Architects Society of Hawaii. They will be glad to meet you, and information regarding the society may be had by phoning to 4468 or 4476.

In the Architects Society of Hawaii are Herbert Cohen, Damon Bldg.; Davis & Fishbourne, Boston Bldg.; C. W. Dickey, Damon Bldg.; Emory & Webb, James Campbell Bldg.; Furer & Potter, Hawaiian Trust Bldg., Rothwell, Kangeter & Lester, 82 Merchant St.; Hart Wood, Castle & Cooke Bldg.

The Pacific Engineering Company, Ltd., construction engineers and general contractors, is splendidly equipped to handle all types of building construction, and execute building projects in minimum time and to the utmost satisfaction.

ADVT.

faction of the owner. The main offices are in the Yokohama Specie Bank Building, with its mill and factory at South Street. Many of the leading business buildings in Honolulu have been constructed under the direction of the Pacific Engineering Company.

Wright, Harvey & Wright, engineers in the Damon Building, have a branch office and blue print shop at 855 Kaahumanu Street. This firm does a general surveying and engineering business, and has information pertaining to practically all lands in the group, as this firm has done an immense amount of work throughout the islands. The blue print department turns out more than fifty per cent of the blueprinting done in Honolulu.

Walker & Howland, with offices in the new First National Bank Building on King and Bishop streets are chiefly fire protection engineers. They represent Grinnell Company of the Pacific, with its main offices in Los Angeles, this firm producing automatic sprinklers, pipes, valves, and fittings, needed in architectural engineering work, and suited to a climate that has no winter and is ever gentle spring.

Lewis Abshire, consulting engineer in the Lincoln Building, is developing much needed lines of work in connection with landscape engineering, construction, and surveying, as well as building. The office is at 178 South King Street, room 2 Liberty Building, telephone 2453, with 79311 as a home number. With his past experience of many years in Honolulu, Mr. Abshire is well acquainted with local conditions and needs in building in Hawaii.

The J. L. Young Engineering Co., Ltd., acts as consulting engineers and contractors, with offices at Kawaihau and King Streets—telephone 2842 and 6247. J. L. Young is president and general manager. The firm has a long career of successful building for the Army, Navy, Government, and private corporations and individuals.

Some of Honolulu's Leading Business Firms

The Hawaiian Electric Co., Ltd., with a power station generating capacity of 32,000 K.W., furnishes lighting and power service to Honolulu and to the entire island of Oahu. It also maintains its cold storage and ice-making plant, supplying the city with ice for home consumption. The firm acts as electrical contractors, cold storage, warehousemen and deals in all kinds of electrical supplies, completely wiring and equipping buildings and private residences. Its splendid new offices facing the civic center are now under course of construction and will add another bit of architectural beauty to the business section of Honolulu.

The Consolidated Amusement Company, as its name implies, is a consolidation of all the leading theaters in Honolulu, featuring two of the most luxurious theaters in the Pacific, the New Princess and the Hawaii Theater, where the latest first-run films are shown to the Honolulu public. The Consolidated Amusement Company supplies practically all of the movie theaters in Hawaii with their films and brings to the island everything that is worth bringing, showing the great run pictures while they are still being seen in New York and Chicago. Visitors can always reserve seats at the theaters of the Consolidated Amusement Company by phoning to the theater selected.

The Honolulu Music Company, 1107 Fort Street, is the home of the Mason and Hamlin pianofortes in Hawaii. Here Dame Nelly Melba purchased two of these superb instruments. The superb Knabe piano also has its home here. Mr. Bergstrom, of Hawaii's one great family of music dealers, is manager of the Honolulu Music Company and here one may be advised by experts as to the kind of musical instruments suited to Hawaii, as well as the kind of music to secure.

ADVT.

Harte's Good Eats is the name of the restaurant in the Wolters Building on Union Street, famous for its home cooking. Miss Edna B. Harte has built this restaurant up to its landmark position in Honolulu by carefully supervising every department in person.

Alton J. Cohn, Realtor, 316-317 Hawaiian Trust Bldg., 116 South King Street, has entered the real estate field with the up-to-date modern ideas of this business, handling the best properties and satisfying the customer. Choice properties in every part of Honolulu to suit every income are listed by this realtor, who has found that he had had to take others into partnership to take care of the increasing business.

The Ben Hollinger Co., Ltd., with Ben Hollinger as President and Manager, owns and operates the Hollinger Garage, and is disbursing central for the Vesta Battery Corporation, and representatives for The Fisk Tire Company, Inc., in the Territory of Hawaii. The main offices of the company are at Alakea and Queen Streets, adjoining the garage.

The Rycroft Arctic Soda Company, on Sheridan Street, furnishes the high grade soft drinks for Honolulu and Hawaii. It manufactures the highest grade ginger ale—Hawaiian Dry—from the fresh roots of the native ginger. It uses clear water from its own artesian well, makes its carbonated gas from Hawaiian pineapples at the most up-to-date soda works in the Territory of Hawaii.

A monument to the pluck and energy of Mr. C. K. Ai and his associates is the **City Mill Company**, of which he is treasurer and manager. This plant at Queen and Kekaulike streets is one of Honolulu's leading enterprises, doing a flourishing lumber and mill business.

Honolulu Business Items

The Honolulu Planing Mill, of which John Lucas is President and Manager, is the only planing mill in the Territory electrically equipped, and it manufactures its own electricity. This pioneer planing mill of Hawaii, established in 1864, has its workshops at Ala Moana Coral and Keawe Streets, Honolulu, where it manufactures mouldings and every conceivable need in building the house and home.

The World's Dairy Farm is a title which New Zealand, the greatest exporter of milk products, has truly earned. A mild, equable climate, careful herd selection, scientific manufacture and a rigorous grading system, account for New Zealand's pre-eminence. "Anchor" Brand Dairy Products represent the cream of the Dominion's output and in 30 countries are acclaimed as the world's best.

Bailey's Groceteria is the big success of recent years in Honolulu business. The parent store at the corner of Queen and Richard Sts., has added both a meat market and a bakery, while the newly constructed branch building at Beretania and Piikoi is equally well equipped and supplied, so that the housekeeper can select all that is needed in the home, or, in fact, phone her order to either house.

The Metropolitan Meat Market on King street, near Fort, is the most completely equipped meat market in the Territory of Hawaii, and the most sanitary. It occupies its own building, which is built and equipped on successful principles of sanitation. Its splendid meats are carefully selected and supplied by the Hawaii Meat Company, which operates its own cattle steamers between the islands, so that fresh and perfectly fed beef is always on the counters, under glass, at the Metropolitan Meat Market.

ADVT.

Howard W. Laws, at Ala Moana Avenue and Ward St., is the general roofing contractor in Hawaii, being distributor for Carey's roofing and building materials, telephone 5949. Before putting on your roof in Hawaii, it is wise to secure expert advice on the kind of roof the section you build in needs. Howard W. Laws can give this advice with years of experience behind his opinion.

L. Fullard-Leo, the building contractor, with a factory at Queen and Ward streets, is Honolulu's manufacturer of hollow concrete building tiles, as well as of roof tiles and French floor tiles. A specialty is made of fibrous plaster cement plate walls and of every kind of ornamental plastering, modeling, imitation stone, etc. Excellent examples of this work may be seen in the new Castle & Cooke Building and in the Bishop Bank building.

The Hub Clothing House, at 79 S. Hotel Street, is just around the corner from Fort Street and in the busiest portion of the city. Quick sales make it possible to dispose of the constantly arriving stock of men's clothing and apparel at the lowest prices in the city for the high class gentlemen's wear.

Walker & Olund, Ltd., with headquarters at 820 Piikoi St., build with Walker & Olund's concrete tile, and build permanently. This firm has contracts for many of the big new business and other buildings now being erected in Honolulu. Their feature of concrete tiling saves the trouble of double walls and makes the home absolutely water-proof, bug-proof, and by actual test more fire-proof than the imported clay tile. Walker & Olund's concrete tile is slightly cheaper laid up in the wall than good double board construction, and a great deal more weather resisting.

Maui No Ka Oi

(Maui is the best)

The Maui Chamber of Commerce is behind the plan for an auto road to the summit of Haleakala, earth's vastest crater, situated on the island of Maui, its summit ten thousand feet above the sea from which it will be distant, when the auto road is completed, scarce fifty miles of easy riding. The Chamber also advocates the round-the-island auto road that now connects Wailuku and Lahaina with Hana with the plan now to push the building of this auto route entirely around the island of Maui. It was the Chamber that got behind the Maui Annual Fair, the best of its kind in the islands. All of the business men of Maui are members of their Chamber, and it stands for the progress of Maui No Ka Oi (Maui, Best Of All).

The Wailuku Hotel is the delightful caravansary conducted by Mrs. George K. Trimble, enlarged from year to year until it is now one of the really up-to-date hotels in the Territory with every convenience for the visitors. This hotel has a clientele of many years standing, drawing to itself the best of the traveling public to which it caters.

The Haleakala Ranch Company, with head offices at Makawao, on the Island of Maui, is as its name indicates, a cattle ranch on the slopes of the great mountain of Haleakala, rising 10,000 feet above the sea. This ranch breeds pure Hereford cattle and is looking to a future when it will supply fine bred cattle to the markets and breeders in Hawaii.

The Kahului Railroad Company, with its main offices at Kahului on the Island of Maui, serves the island both as regards passenger and freight service, with regular trains running to the Haiku district, Paia, Puunene and Wai-

luku. The company is agent at Kahului for the Inter-Island Steam Navigation Company and for the firm of Alexander and Baldwin, Ltd. William Walsh is general manager.

The Kahului Store, Wm. A. Sparks manager, is conducted by the Hawaiian Commercial and Sugar Company. The immense store in Kahului carries everything that is needed in plantation or home life, it maintains branches at Puunene, Spreckelsville, and at Kihei. The plantation store is an institution in Hawaii, bringing everything that is needed direct to the laborer and to workers of all kinds.

The Hawaiian Cooperative Poultry Association with its poultry ranch and head offices at Wailuku, supplies the island with its dressed poultry and eggs. It sometimes sends its produce to Honolulu, where there is a quick demand. This is an enterprise of Wm. F. Pogue and his son. Mr. Pogue is also proprietor of the Homelani Ranch with his sons, who give it their personal service.

The Paia Store, which is conducted by the Maui Agricultural Co., Ltd., is managed by Fred P. Rosecrans. This is one of the very big plantation department stores in Hawaii. Every conceivable need of the housekeeper or homemaker is kept in stock. The store covers an area of more than a city block in a metropolitan city, and is the department store adapted to the needs of modern sugar plantation life.

The Honolulu Dairymen's Association, Ltd., is represented on Maui by Fred Lamb at Wailuku.

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Hilo, Hawaii's Second City

Locate in Hilo.—The Chamber of Commerce of Hilo is now located in the Volcano Building, Wainuenue avenue, the very center of Hilo's business district. Those desiring information concerning Hilo and its opportunities are invited to call at the Chamber, which represents the interests of a city of 13,000 inhabitants, as well as the general interests of the Island of Hawaii, the largest island of the group forming the Territory of Hawaii. Those who contemplate visiting Hawaii or doing business in Hilo are invited to correspond with the Chamber of Commerce of Hilo, Gordon H. Scruton, executive secretary. Hilo has many important business houses and from Hilo the various points of interest on the island are visited.

The Hilo Hotel is the rendezvous of the tourist and the visitor. Almost hidden in a tropical garden facing the sea, its bungalow cottages afford the maximum of comfort. At the Hilo Hotel rooms with or without baths may be secured at moderate rates, and in the great dining hall the delicacies of Hawaii are served. The Hotel is conducted on the American plan.

Hawaii Consolidated Railway, Ltd., Hilo, Hawaii, the Scenic Railway of Hawaii, one of the most spectacular trips in the world, thirty-four miles, costing nearly \$4,000,000; it crosses 10 sugar plantations, 150 streams, 44 bridges, 14 of which are steel from 98 to 230 feet high and from 400 to 1,006 feet long, and many precipitous gorges lined with tropical trees, and with waterfalls galore; sugar cane fields, villages, hundreds of breadfruit and coconut trees and palms along the way, and miles of precipices. W. H. Hussman, general freight and passenger agent.

Motor Service from Hilo.—The Hawaii Transportation Company maintains a regular daily automobile service to the volcano of Kilauea, thirty-odd
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miles distant from Hilo. It also sends passengers by auto around the island of Hawaii or to any part of the island. Its cars meet the steamers at the wharf, or can be secured at any time by phoning either 82 or 92. R. Sevier is president and manager. A letter or a message to the Hawaii Transportation Company will assure prompt service and waiting cars.

Hilo as a Manufacturing Center.—The Hawaiian Starch Co. is a Hilo enterprise that has the support of the entire territory. This company puts out a starch made from the edible canna that has twice the strength of other food starches, so that only half the amount usually specified in cook books may be used. This is the starch par excellence for a dull laundry finish. Hawaiian sugar and Hawaiian pineapples are known the world over as the highest standard, and it now seems that Hawaii will lead in producing a perfect starch.

Hilo as a Cattle Market.—The Hilo Meat Co. at 12 Keawe Street is the town end of the Shipman ranch, V. D. Shutte, manager. This company supplies Hilo and sometimes Honolulu with meat from the famous Shipman ranch, of which Mr. W. H. Shipman has been the experienced head for more than a generation. Hawaii has made herself independent of the mainland for meat of all kinds, and in the Hilo market there is a choice of the very best cuts from home raised cattle from the Shipman ranch.

The Moses Stationery Co., Ltd., Hilo, Hawaii, of which E. Moses is president, has its main office and store at No. 55 Kamehameha Avenue. They also control and operate the Hawaii Music Co. in Hilo. In Honolulu two more stores are controlled—the Moses Office Equipment Co., Ltd., at 72 South King Street, also the Sonora Shop at 1158 Fort Street, where the famous Sonora phonographs and the Baldwin Piano are featured.

Establish Your Business in Hilo

The First Trust Company of Hilo occupies the modern up-to-date building adjoining the Bank of Hawaii on Keawe Street. This is Hilo's financial institution. It acts as trustees, executors, auditors, realty dealers, guardians, accountants, administrators, insurance agents, and as your stock and bond brokers. You will need the services of the First Trust Company in Hilo whether you are a visitor, or whether you are to erect a home or a business block.

Own Your Home In Hilo.—The home or business builder in Hilo will need Charles H. Will, the foremost general contractor of the big island of Hawaii. He is the first aid of the builder, with an office in the Old Bank Building on Waianuenue Street. His work is in road building, reinforced steel and concrete buildings, a builder of bridges and wharves, streets and highways. Agent for the Polk System of Reinforced Concrete, Charles H. Will erects the concrete chimneys, an important thing in a land of sugar mills. Estimates are furnished on every class of construction work.

Hilo's Department Store.—The E. N. Holmes Department Store on Waianuenue Street, near Kamehameha, is one of the business landmarks of Hilo. Here more than a generation of Hiloites has bought its groceries, dry goods, men's furnishings, crockery, household furniture, and all that goes to make home happy. Mr. Holmes is now assisted by his son in the management and the business still expands and keeps up with the times, keeping to the front as Hilo's one big department store.

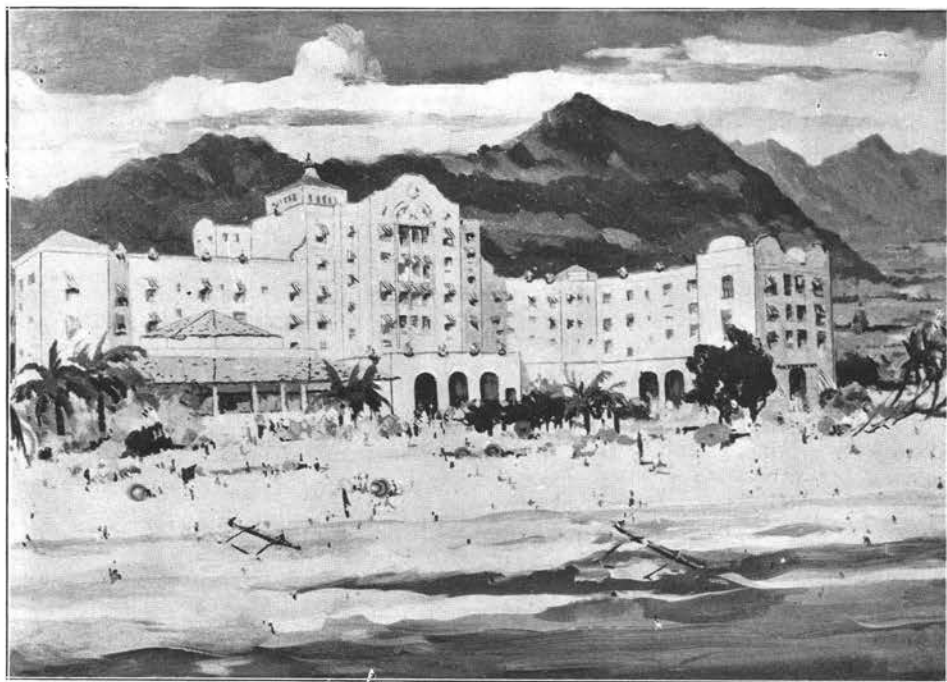
Own Your Own Car in Hilo.—The Volcano Stables and Transportation Company, J. W. Webster, president; and A. L. Ruddle, secretary and manager, is proprietor of the Volcano Garage. At Kamehameha and Pauahi Streets it has three acres of buildings and is agent and distributor for the two cars that stand alone in their separate classes,—the Ford for everybody and the Studebaker for those who desire a high-class car at a moderate price. The company is also distributor for the Ford and White trucks, Fordson tractors, and the Good-year and Federal tires.



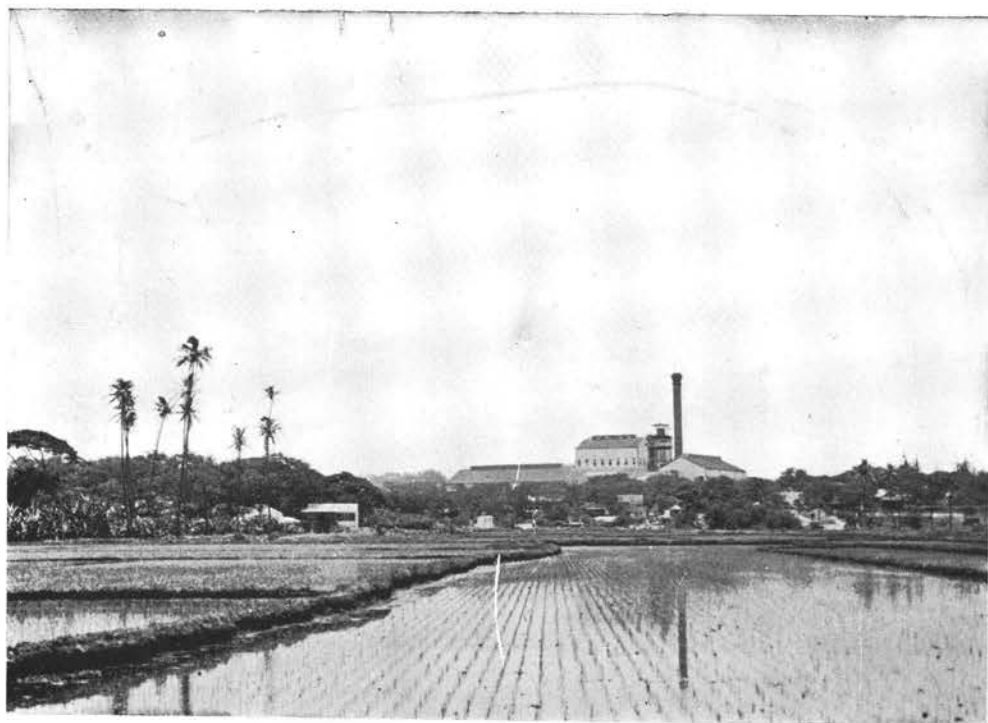
A cattle ranch on the Island of Hawaii.

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Hawaii's Two Great Industries The Tourist and Sugar

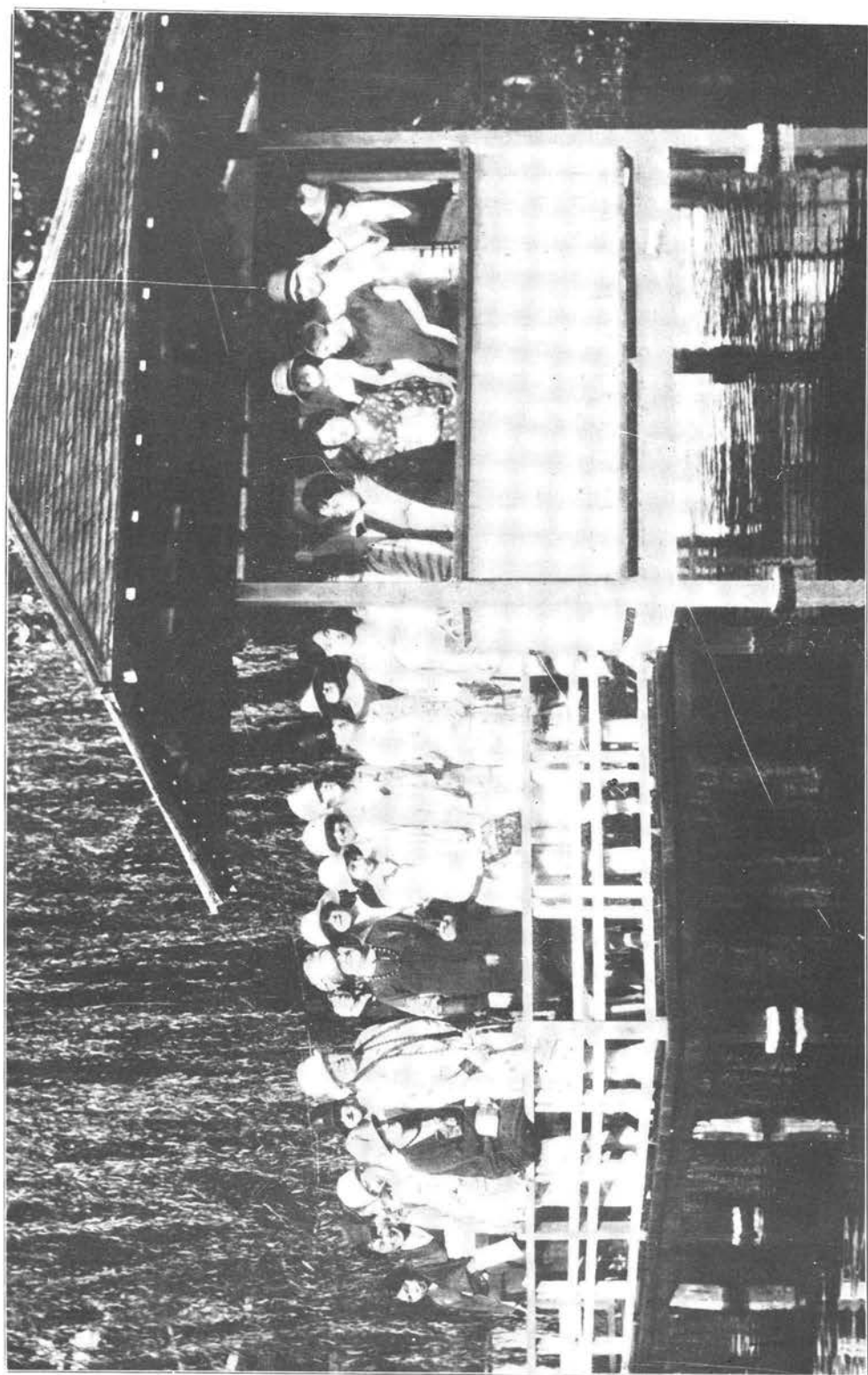


The Royal Hawaiian Hotel at Waikiki.

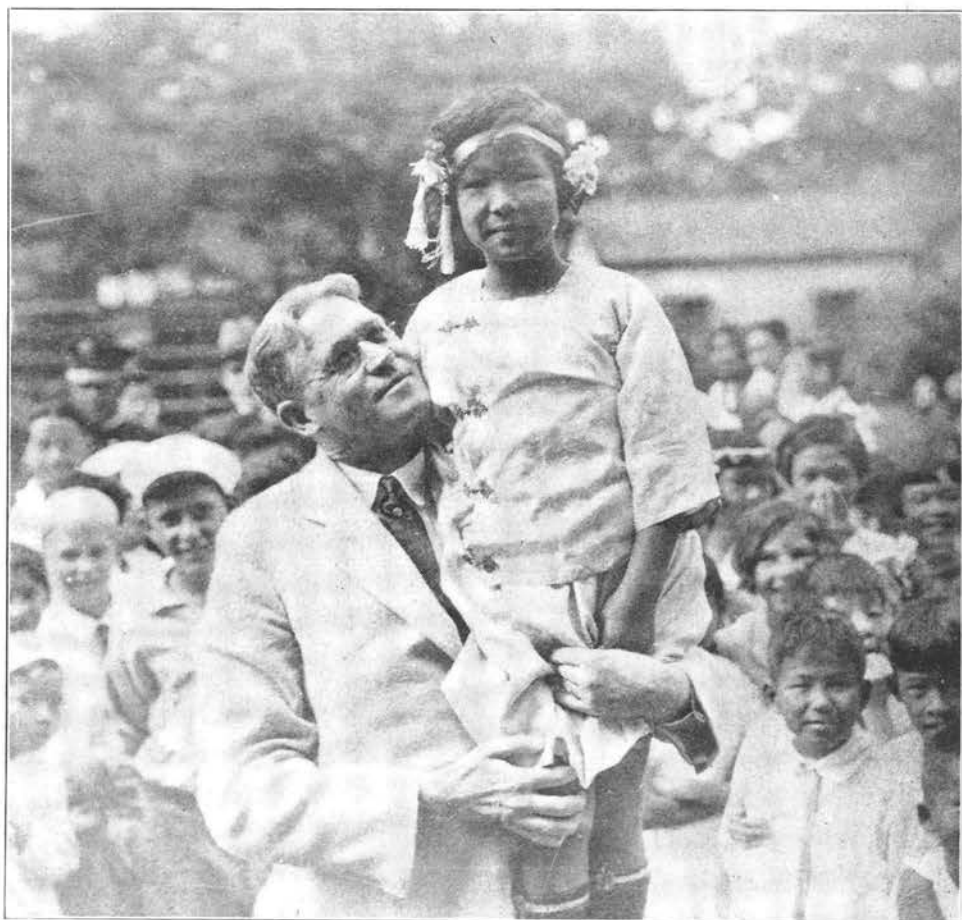


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*A typical scene in Hawaii. The sugar mill, coconut palms, rice fields,
and the sugar plantation.*



During the visit to Hawaii of the Seattle business women their delegation was entertained at one of the Japanese tea gardens in Honolulu by the Pan-Pacific Women's Club that is preparing for the entertainment of the delegates next August who attended the first Pan-Pacific Women's Conference.



D. A. Skinner, Secretary of the U. S. Chamber of Commerce, at the Royal School, Honolulu.